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ABSTRACT

Many states overutilize some kinds of tax and underutilize others. Where tax utilization is unbalanced, additional revenues may be garnered from an underutilized tax. This study compares the relative shares of total state or local tax burdens that are borne by the three most important taxes: property taxes, sales and gross receipts taxes, and income taxes. Data were collected for all states with special emphasis on New York State. The study provides background information needed to balance the three taxes in any state. Each chapter details the relative share of state or local tax burdens that is borne by each type of tax in each state, addresses variations among the states, and assesses the relative burden each tax places on the citizens of each state. Some historical background is also provided. The data indicate that New York taxes its citizens more than does any other state, though this has not always been true. New York citizens rank first in income tax burden, sixth on property tax burden, and eleventh on sales or gross receipts taxes. (Author/JM)

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OCCASIONAL PAPER #20

A TAX LEEWAY STUDY

PROPERTY TAXES, INDIVIDUAL INCOME TAXES AND SALES AND GROSS RECEIPTS TAXES IN THE UNITED STATES AND NEW YORK STATE

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CHAPTER 1

INTRODUCTION

One of the most confounding problems of public life today is the financing of state and local public services. This past decade has witnessed international crises, internal strife, double digit inflation, recessions, and high unemployment. The severity of the recession in combination with the prior inflation caused many states and local governments to take significant budget cutting on revenue raising actions.[1] This situation is especially crucial in New York State. This state's economic picture is clearly not a rosey one.[2]

The surpluses that resulted from revenue sharing have virtually disappeared. In New York some belt-tightening by fiscal planners will be necessary.[3] As new state budgets are prepared, many will be unbalanced unless expenditure programs are accompanied by tax increases. It is, therefore, imperative that public officials look carefully at their fiscal capacities before decisions on budgets are made.

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1 See, "The Money Crunch for States and Cities," The Nation's Business, October 1975, pp. 22-28.

2 From "Remarks of Henrik N. Dullea, Assistant Secretary to the Governor for Education and the Arts," A speech before the New York State Council of School District Administrators, January 31, 1977.

3 See, "The Projections of Expenditures and Revenues for U.S. and New York State," Research Study #11, Chapter 6, Section 842 Project.

There are three important sources of state-local tax revenues: property taxes, sales and gross receipts taxes, and individual income taxes. The states vary significantly in the degree to which they rely on these taxes. In many states there is an imbalance among these three types of taxes, and therefore there may exist an unfair distribution of tax burdens in these states. Certainly, where such imbalances exist, additional sources of revenue may be garnered from an underutilized tax.

This study makes a comparison of the relative shares of total state-local tax burdens among the states that are borne by these three taxes, with special emphasis paid to New York State. It is hoped that this study will be of some assistance to those who are involved in deciding how to raise needed additional revenues in their own states as well as in New York State. Knowing whether a heavier relative burden is borne by property or non-property taxes, they may include in their thinking the consideration of a proper balance among the three.

In recent years more and more states have legislated the establishment of sales and income taxes to broaden their tax bases.[1] Although a fiscal necessity, this broadening of the tax base may create unwholesome tendencies which can directly affect schools. If the schools of a state must depend on an overloaded tax base for their financing, the tendency often is to stifly

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[1] At present, 45 states have some form of sales and gross receipts tax and 41 states have an individual income tax. Many local jurisdictions have local sales taxes, and some large cities, notably New York City, levy an income tax.

local initiative and ability to improve these schools.[1] The study of tax leeway and its effect on schools is not a new issue. Wendell D. Knott[2] tested the influence of tax-leeway on educational adapability and found tax leeway does promote adaptability.

Although the property tax has historically borne the major share of the support of public schools, if it is not bearing its fair share of the tax burden, and especially if other locally determined and administered taxes are not used to replace it, two unwholesome tendencies may develop. First, local schools may tend to become inadequately financed, and second, control of local schools may tend to gravitate to the state government. Either of these conditions tend to have a negative effect on the wholesomeness of school governments and on the quality of the education provided.

The major problem is to find a balance among the various tax sources and it should be addressed by all citizens, not just school officials. The importance of striking a balance among state-local taxes is evident. It is hoped that this study will provide some of the groundwork upon which these decisions can be made.

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1 Robert E. Lamitie, Leeway in The Property Tax, An Index of Relative Use by States, Associated Public School Systems, Affiliate of the Institute of Administrative Research, Teachers College, Columbia University, 1959.

2 Wendell D. Knott, The Influence of Tax-Leeway on Educational Adaptability, Contributions to Education, No. 785, Teachers College, Columbia University, 1939.

CHAPTER 2

METHODOLOGY

The basic premise of this work rested on the assumption that the "average" effort to collect any particular tax was a reasonable expectation, and that any state should be able to put forth such an effort if it choose to do so. Thus, any state which collects above-average amounts from a particular tax, should be able to derive revenues from other taxes at an average level.

In the inter-state comparisons, totals combining state and local taxes were used. Interstate comparisons are more meaningful when based on the combined amounts because of the diversity in the division of labor between states and their political subdivisions.[1]

The most often used measure for interstate comparisons of overall capacity and efforts is the personal income in each state. One argument is that taxes are ultimately paid from personal income. Another is that while personal income is less than a complete measure of business and personal taxable resources, it seems to correlate well with total resources.[2]

While truly not a perfect representative of tax capacity, personal income is an important determinant of expenditures on retail goods and services that make up the bulk of general and selective sales tax bases and the individual income tax base. Un-

[1]See State and Local Revenue Potential, 1971, Kenneth E. Quindry. Southern Regional Education Board, 1972, p. 4.

[2]Ibid.

fortunately, it is not fully satisfactory as a proxy for property taxes, but no better simple measure is readily available.

The U.S. Bureau of the Census annually gathers data for state and local governments. The data is grouped and categorized according to standard definitions. The choice to use this data rather than the varied categories oftentimes established by state governments, hopefully makes it possible to make meaningful comparisons. Per capita personal income is also used as an index of the relative capacities of the states to support public services. The Office of Business Economics of the Department of Commerce also uses this measure.

Constitutional or other state or local contraints on the taxation of otherwise available taxable resources are assumed away in this study. Obviously, in some areas, political or social policy decisions have eliminated a potential source of revenue despite its economic or administrative feasibility. While such barriers reduce the utilization of the tax base, they do not remove the potential for use as defined in this study.

Statistics are calculated and compiled for each of the taxes studied. The percent each tax is of total taxes is also calculated and displayed. Tables and graphs are presented to support the written text of this study. Various indexes are calculated so relative rankings of states can be assessed and compared.

CHAPTER 3

PROPERTY TAXES

Chapter 3 details the relative shares of state-local tax burdens that are borne by property taxes among the states. The Chapter briefly describes the historical development of the property tax in this century, addresses some of the variations that exist among the states, and assesses the relative burden this tax places upon the citizens of the states. Special emphasis is placed upon the New York State situation.

Historical Perspective

The property tax has historically been a crucial factor in the fiscal scene of the United States. Although complex in nature (there are literally thousands of local variations), the property tax is ". . . more important in the fiscal system and relative to the national income than are comparable taxes in any other advanced country in the world except Canada."[1] Although property tax no longer plays as extensive a role as it once did, this tax remains the single most important factor in state-local finance.[2] Table 3.1 details the relationship property tax has historically held with total revenues and selected measures of national wealth.

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[1]Dick Netzer, Economics of the Property Tax, Studies of Government Finance, The Brookings Institute, Washington, D.C., p. 1.

[2]For an excellent brief history of the property tax in the United States, see Jens P. Jensen, Property Taxation in the United States. University of Chicago Press, 1931. Chapter II.

TABLE 3.1

STATE AND LOCAL GOVERNMENT PROPERTY TAX REVENUE IN THE UNITED STATES, SELECTED YEARS, 1860-1975

YEAR	PROPERTY TAX (MILLIONS OF DOLLARS)	PER CAPITA PROPERTY TAX	PERCENTAGE OF TOTAL STATE LOCAL TAX REVENUE	PERCENTAGE OF GROSS NATIONAL PRODUCT
1860	$ 94	$ 3.00	n.a.	n.a.
1870	226	5.87	n.a.	3.4%
1880	314	6.26	n.a.	3.4
1890	471	7.53	n.a.	3.7
1902	706	8.92	82.1%	3.2
1913	1,332	13.70	82.8	3.3
1922	3,321	30.17	82.7	4.5
1927	4,730	39.74	77.7	4.9
1934	4,076	32.25	68.9	6.3
1940	4,430	33.53	56.7	4.4
1946	4,986	35.27	49.4	2.4
1950	7,349	48.45	46.2	2.6
1952	8,652	55.10	44.8	2.5
1953	9,375	58.73	44.6	2.6
1954	9,967	61.37	45.2	2.7
1955	10,735	64.95	45.7	2.7
1956	11,749	70.24	44.6	2.8
1957	12,864	75.54	44.6	2.9
1958	14,047	81.04	46.2	3.2
1959	14,983	84.88	46.3	3.1
1960	16,405	91.15	46.3	3.3
1961	18,002	98.35	46.3	3.5
1962	19,054	102.54	45.9	3.4
1963	20,089	106.51	45.4	3.4
1964	21,242	111.02	44.5	3.4
1965	22,583	116.52	44.1	3.5
1966	24,670	125.96	43.5	3.3
1967	26,279	132.81	42.9	3.3
1968	27,747	138.83	41.1	3.2
1969	30,673	151.92	39.2	3.3
1970	34,055	167.59		3.5
1971	37,852	183.51	39.9	3.6
1972	42,133	202.33	38.7	3.6
1973	45,283	215.78	37.4	3.5
1974	47,754	225.90	36.5	3.4
1975	51,491	241.60	36.4	3.4

n.a. Not Available

a. Throughout this study, all Canus Bureau data on revenues apply to the state and local governments fiscal years ending during the calendar year indicated. Other data are for calendar years, except where otherwise stated.

b. Sources: 1860-1890, Jens P. Jensen, Property Taxation in the United States (University of Chicago Press, 1931), Table 2; 1902-57 U.S. Bureau of the Census Census of Governments; 1957, Vol. IV, No. 3; "Historical 'Summary of Governmental' Finances in the United States" (1959), Table 4; 1958-62, U.S. Bureau of the Census, Census of Governments; 1962, Vol. VI, No. 4, "Historical Statistics on Governmental Finance and Employment" (1964), Tables 1 and 2; (1963-1975) U.S. Bureau of the Census, Governmental Finances, Series G-GF63 to G-GF75.

c. Sources: 1870-1970, U.S. Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1970; 1870-1913 data are based on GNP annual averages for five-year periods bracketing the dates indicated; 1970-1975 U.S. Department of Commerce Office of Business Economics, Survey of Current Business.

Property tax represented 82.1 percent of total local-state tax revenue at the turn of the century. The portion property tax is of total state-local revenue is now 36.4 percent. Although its importance in the state-local finance picture has lessened, this does not mean less property taxes are collected. Property tax collected in 1950 totalled 7.3 billion dollars, whereas in 1975, over 51 billion dollars were collected from this tax. It is interesting to note that property tax has maintained a fairly consistent relationship with the Gross National Product over these years. Figure 3.1 graphically pictures these data.

Despite the fact property has continued to support a large share of the state-local fiscal scene, property has increasingly become less representative of people's ability to pay taxes. When the country was mainly rural in nature, individuals held similar kinds of property - land, buildings, livestock. But new forms of property followed industrialization. A clear view of ability to pay was clouded as service and professional occupations grew. These occupations paid larger incomes that were not necessarily matched by growth in the taxpayer's tangible property. Different forms of property emerged - stocks, bonds, mortgages - intangible property, and they caught the assessor unprepared.[1] Some produced income, some did not.

The diversification of wealth. State and local governments have accordingly diversified their revenue collection systems to tap varied new forms of wealth. These governments have

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[1]Robert Allphin, "Property Taxation: History-Status-Outlook," The Tax Executive, April 1977, Vol. XXIX, No. 3.

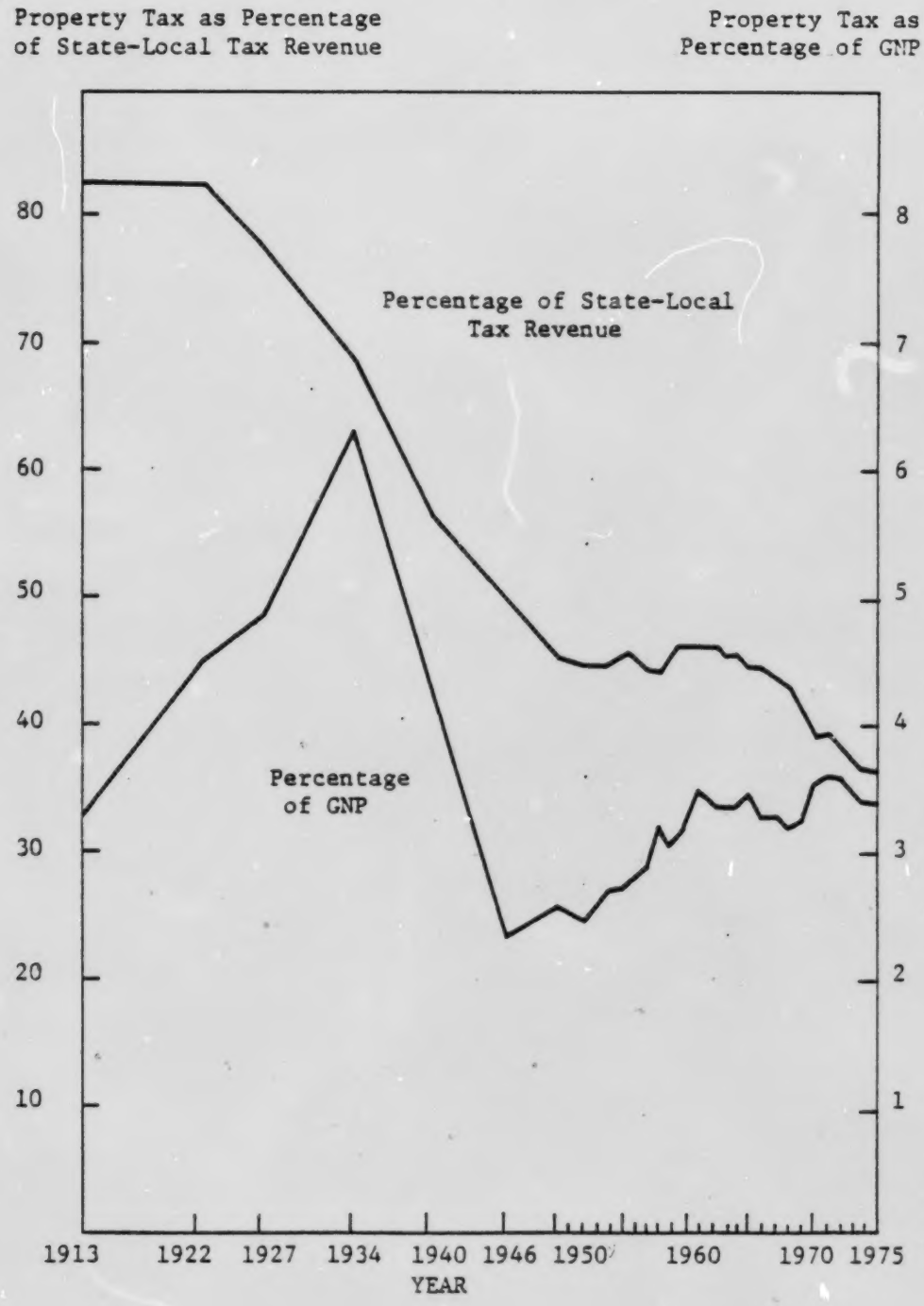

Figure 3.1. Property Tax Revenue as Percentages of State-Local Revenue and Gross National Product, Selected Years, 1913-50, Annually, 1952-75.

attempted to establish a broad and equitable tax base to support the burgeoning costs of government.

This diversification in wealth[1] can be crudely estimated from Table 3.2. Although only rough estimates, Table 3.2 shows that during the 45 year period, from 1930 to 1975, national income increased by 1,498 percent while national wealth increased by 1,286 percent. In other words, forms of wealth other than property increased during this period at a 16 percent faster rate than property wealth (1,498 ÷ 1,286). National income has held a fairly constant relationship with wealth for the last decade and a half, income being approximately 22 percent of wealth, up somewhat from the prewar 19 percent.

States adjusted their fiscal policies to these changes in wealth and to the differing forms of taxpaying ability by broadening their tax bases. Thus, governments have shifted an ever-increasing share of the total state-local tax burden upon non-property taxes as governmental costs have increased.

A Question of Equity. We recognize, of course, this tax base broadening had evolved not only because of the diversification of national wealth. Equity issues are also related to these changes.

Assessment and supervision inequities have historically marked the property tax as an inefficient and undesireable tax. In 1895, Seligman's essay on "The General Property Tax" summarizes

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[1] For an excellent update on National Wealth statistics, see, The National Wealth of the United States by Major Sector and Industry, John W. Kendrick with K.S. Lee and J. Lomask. A Research Report from the Conference Board, Report No. 698.

TABLE 3.2

NATIONAL WEALTH AND NATIONAL INCOME, 1930-1975
(In Billions of Dollars)

YEAR ENDING (1)	NET NATIONAL WEALTH[2] (2)	% INCREASE SINCE 1930 (3)	NATIONAL INCOME[1] (4)	% INCREASE SINCE 1930 (5)	INCOME % OF WEALTH (6)
1930	$ 410.1	-	$ 75.4	-	18.5%
1940	424.2	3.4	81.1	7.6	19.2
1950	1,024.0	149.7	241.1	219.8	23.4
1955	1,338.3	226.3	331.0	328.1	24.2
1960	1,851.3	351.4	414.5	447.6	22.4
1965	2,474.8	503.5	564.3	648.4	22.8
1970	3,552.9	766.3	800.5	961.7	22.5
1971	3,829.7	833.8	857.7	1,037.5	22.4
1972	4,198.4	923.8	946.5	1,155.3	22.5
1973	4,719.1	1,050.7	1,065.6	1,313.3	22.6
1974	5,283.0	1,188.2	1,142.8	1,415.6	21.6
1975	5,683.6	1,285.9	1,204.6	1,497.6	21.2

*Prior to 1960, excludes Alaska and Hawaii.

[1]Source: U.S. Bureau of Economic Analysis, The National Income and Products Accounts of the United States, 1929-1965, and Survey of Current Business, July issues and January, 1977.

[2]Estimates are based on book values. Source: U.S. Congress, Institutional Investor Study Report of the Securities and Exchange Commission Supplementary Volume I, House Document 92-64, Part 6, March 10, 1971; 1930-1965; The National Wealth of the United States by Major Sector and Industry, John W. Kendrick, a Research Report from the Conference Board's Division of Economic Research, Conference Board Report No. 698.

NOTE: For National Wealth, data should be regarded as approximate only. Consult source for methods and sources to derive these estimates. See text, p . See also Historical Statistics, Colonial Times to 1970, series F 349-364.

the main criticism.[1] "Practically, the general property tax as actually administered is beyond all doubt one of the worst taxes known in the civilized world."

Consequently, the reality that property tax was a substantial source of income focused efforts on improvement of assessment practices and reclassification of property to those categories that were more easily identifiable. In all, despite these attempts at improvements, the adoption of additional non-property taxes to lessen dependence on the property tax began.

Shifts From Reliance on Property Tax

On average, states have reacted similarly to the problems of new forms of wealth and diversification. Table 3.3 displays the percentage of state and local taxes that were raised through property taxation in 1957, 1967, and 1975, by states. In the period 1957 to 1967, the greater portion of states shifted its tax system so that a greater percentage of state-local tax revenue was raised by nonproperty taxes in 1967 than in 1957. This phenomenon was true in the majority of the states. New York State reduced its dependence on property tax as a major contributor of state-local tax revenue from 47.4 percent in 1957 to 39.2 percent in 1967, a reduction of 8.2 percent. New York's rank, in order of its dependence on Property Tax, moved from 21st to 30th.

Nevertheless, a great deal of variation of reaction took place among the states. The portion of total burden that was shifted from property to nonproperty taxes varied from a decrease

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1 Edwin R. A. Seligman, "Essays in Taxation", MacMillan, 1895, Chapter II.

TABLE 3.3

PROPERTY TAXES, PERCENT OF TOTAL STATE AND LOCAL TAXES, BY STATES, 1957, 1967, AND 1975
(Arrayed in Order of 1975 Rankings)

State (1)	1957 Percent Property Taxes of State-Local Taxes (2)	1957 Index Of U.S. Average (3)	1957 Rank (4)	1967 Percent Property Taxes of State-Local Taxes (5)	1967 Index Of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Property Taxes of State-Local Taxes (9)	1975 Index Of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Property Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Property Taxes 1967-1975 (13)
New Hampshire	62.9	1.41	3	62.5	1.46	2	1		60.1	1.65	1	1		-.4	-2.4
New Jersey	63.7	1.43	2	56.9	1.33	3		1	56.9	1.56	2	1		-6.8	-
Massachusetts	57.9	1.30	7	51.7	1.21	8		1	52.9	1.45	3	5		-6.2	1.2
Connecticut	50.3	1.13	17	51.4	1.20	10	7		50.5	1.39	4	6		1.1	-.9
Montana	58.4	1.31	5	55.8	1.30	5			49.6	1.36	5			-2.6	-6.2
South Dakota	59.0	1.32	4	53.7	1.25	6		2	49.1	1.35	6			-5.3	-4.6
Nebraska	70.1	1.57	1	72.0	1.68	1			48.6	1.34	7		6	1.9	-23.4
Oregon	42.5	.95	30	47.3	1.10	18	12		43.6	1.20	8	9		4.8	-3.7
California	47.1	1.06	22	52.0	1.21	7	15		43.0	1.18	9		2	4.9	-9.0
Vermont	45.6	1.02	26	37.8	.88	31		5	42.8	1.18	10	21		-7.8	5.0
Michigan	46.1	1.03	24	44.9	1.05	23	1		42.8	1.18	11	12		-1.2	-2.1
Kansas	58.1	1.30	6	50.1	1.17	13		7	42.3	1.16	12	1		-8.0	-7.8
Rhode Island	50.4	1.13	16	45.5	1.06	21		5	41.9	1.15	13	8		-4.9	-3.6
Iowa	49.1	1.10	19	49.6	1.16	14	5		41.2	1.13	14			.5	-8.4
Wyoming	51.5	1.15	13	56.4	1.31	4	9		40.6	1.12	15		11	4.9	-15.8
Maine	51.4	1.15	14	49.3	1.15	16		2	40.4	1.11	16			-2.1	-8.9
Indiana	55.0	1.23	8	50.8	1.18	11		3	39.9	1.10	17		6	-4.2	-10.9
Illinois	52.1	1.17	10	48.8	1.14	17		7	38.5	1.06	18		1	-3.3	-10.3
Ohio	48.2	1.08	20	51.6	1.20	9	11		37.9	1.04	19		10	3.4	-13.7
Wisconsin	51.9	1.16	11	40.4	.94	26		15	37.7	1.04	20	6		-11.5	-2.9

TABLE 3.3(Con't.)

State (1)	1957 Percent Property Taxes of State-Local Taxes (2)	1957 Index Of U.S. Average (3)	1957 Rank (4)	1967 Percent Property Taxes of State-Local Taxes (5)	1967 Index Of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Property Taxes of State-Local Taxes (9)	1975 Index Of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Property Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Property Taxes 1967-1975 (13)
Texas	46.1	1.03	25	45.8	1.07	20	5		37.2	1.02	21		1	-.3	-8.6
New York	47.4	1.06	21	39.2	0.91	30		9	36.1	0.99	22	8		-8.2	-3.1
Arizona	46.4	1.04	23	45.0	1.05	22	1		35.5	0.98	23		1	-1.4	-9.5
Missouri	44.1	0.99	28	40.1	0.93	27	1		35.2	0.97	24	3		-4.0	-4.9
Washington	29.6	0.66	38	31.0	0.72	37	1		34.0	0.93	25	8		1.4	3.0
Colorado	50.7	1.14	15	46.5	1.08	19		4	34.0	0.93	26		7	-4.2	-12.5
Nevada	36.1	0.81	34	39.8	0.93	29	5		32.9	0.90	27	2		3.7	-6.9
Georgia	28.6	0.64	41	30.6	0.71	38	3		32.0	0.88	28	10		2.0	1.4
North Dakota	52.7	1.18	9	49.3	1.15	15		6	31.2	0.86	29		14	-3.4	-18.1
Florida	28.8	0.65	40	41.2	0.96	25	15		31.2	0.86	30		5	12.4	-10.0
Minnesota	51.5	1.15	12	50.4	1.17	12			30.6	0.84	31		19	-1.1	-19.8
Idaho	50.1	1.12	18	36.7	0.86	32		14	30.3	0.83	32			-13.4	-6.4
Utah	43.7	0.98	29	40.0	0.93	28	1		30.0	0.82	33		5	-3.7	-10.0
Maryland	36.8	0.94	31	42.1	0.98	24	7		29.2	0.80	34		10	5.3	-12.9
Virginia	32.0	0.72	36	31.0	0.72	36			28.1	0.77	35	1		-1.0	-2.9
D. of Columbia	36.8	0.83	32	33.8	0.79	35		3	26.9	0.74	36		1	-3.0	-6 9
Tennessee	29.3	0.66	39	29.7	0.69	39			25.9	0.71	37	2		0.4	-3.8
Pennsylvania	33.2	0.74	35	34.5	0.80	33	2		25.7	0.71	38		5	1.3	-8.8
Alaska	--	--	--	27.5	0.64	41			25.6	0.70	39	2		--	-1.9
Oklahoma	30.5	0.68	37	34.1	0.79	34	3		24.3	0.67	40	6		3.6	-9.8
North Carolina	26.9	0.60	43	26.2	0.61	44			24.2	0.66	41	3		-0.7	-2.0
South Carolina	23.0	0.52	48	21.5	0.50	47	2		22.6	0.62	42	5		-1.5	1.1
Arkansas	26.5	0.59	44	25.8	0.60	45			22.1	0.61	43	2		-0.7	-3.7
Mississippi	27.9	0.63	42	27.6	0.64	40	2		21.8	0.60	44		4	-0.3	-5.8
Kentucky	36.6	0.82	33	26.9	0.63	42		8	19.1	0.52	45		3	-9.7	-7.8

TABLE 3.3 (Con't)

State (1)	1957 Percent Property Taxes of State-Local Taxes (2)	1957 Index Of U.S. Average (3)	1957 Rank (4)	1967 Percent Property Taxes of State-Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Property Taxes of State-Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised by Property Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised by Property Taxes 1967-1975 (13)
West Virginia	25.3	0.57	45	26.6	0.62	43	2		18.9	0.52	46		3	1.3	-7.7
Delaware	24.0	0.54	46	19.9	0.46	50		4	17.6	0.48	47	3		-4.1	-2.3
Hawaii	--	--	--	20.4	0.48	48			17.6	0.48	48			--	-2.8
New Mexico	23.1	0.52	47	23.5	0.55	46	1		17.4	0.48	49		3	0.4	-6.1
Louisiana	22.0	0.49	49	20.1	0.47	49			15.0	0.41	50		1	-1.9	-5.1
Alabama	44.6	1.00	27	17.8	0.41	51		24	12.8	0.35	51			-26.8	-5.0
All States	44.6	1.00		42.9	1.00				36.4	1.00				-1.5	-6.5

Source: For 1957, 1967, and 1975, U.S. Bureau of the Census, Governmental Finances, Series G-GF57, G-GF67, and G-GF75.

Notes: Local government amounts are estimates subject to sampling variation. Duplicative transactions between levels of government are excluded. Indexes and percentages were originally calculated to four decimal places and ranked accordingly. Therefore, apparent ties are due to rounding of data.

of 26.8 percent in Alabama to an increase of 5.3 percent in Maryland, with an average decrease of 1.5 percent for all states.

This pattern continued more strongly in the period from 1967 to 1975. Nearly all the states reduced their dependence on property taxes. New York again reduced the percent raised by property taxes by another 3 percent, where in 1975 36 percent of all state-local taxes are raised by property taxes. New York now ranks 22nd in order of dependence on property taxes as a percent of total state-local taxes. Again the shifting of the tax paying burden from property taxes to nonproperty taxes varied widely among the states, from a 23.4 percent decrease in Nebraska to a 5.0 percent increase in Vermont, with an average decrease of 6.5 percent for all the states. This represents a larger drop in dependence on the property tax than the previous period. It should be noted that this percentage shift does not represent an actual decrease in property taxes. Table 3.2 shows that actual property taxes increased from $7,349 million in 1950 to $51,491 million in 1975, reflecting an increase of approximately 600 percent and a compound annual growth rate of 8.09 percent. New York collected $1,775 million in 1957 in property taxes and increased this amount to $6,681 million in 1975, reflecting a compound annual growth rate of 8.1 percent, almost exactly the United States growth rate.

Variations Among the States

There were large variations among the states in their shifts from reliance on the property tax. This fact is not surprising. All the states have neither experienced national growth in wealth to the same degree, nor do the same social and

political exigencies exist in the states that would have prompted similar tax policies. It should be expected then that different fiscal policies would have emerged from the various states. Marked variations also exist from one part of the country to another in the ways that states share responsibility with their local governments for providing and financing public services. For example, there is a marked difference between New Jersey and Hawaii. In New Jersey, until recently, local government revenue collections were used to finance a substantial portion of all spending for schools and public welfare, while in Hawaii, these costly functions are state financed. Mainly because of differences in the scope of direct state handling of particular functions and the extent to which states provide grants-in-aid, the local government's share of total state-local taxes ranges widely, from approximately a little more than one-third to almost three-fourths.[1]

In the early 50's the pattern of shifting the tax burden away from the property tax base to a broader tax base occurred to a greater degree in the industrialized states.[2] This pattern continued in a lesser degree during the period from 1957 to 1967. In the next period treated in this study, from 1967 to 1975, noticeable shifts from dependence on the property tax to non-property taxes have occurred in the Southern and other, less industrialized states. Attempts have been obviously made by these

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[1]Lennox E. Moak and Albert M. Hillhouse, Concepts and Practices in Local Government Finance, 1975.

[2]Robert E. Lamitie, Leeway in the Property Tax. An Index of Relative Use by the States, Associated Public School Systems, Affiliate of the Institute of Administrative Research, Teachers College, Columbia University, 1959.

states to relieve the property tax base.

Hopefully, this has also reduced the overburden on those taxpayers whose wealth was largely in property, and improved these states chances to capitalize the potential revenues available from all other forms of taxation. This does not dismiss the possibility that certain states have neglected the potential revenue from property.

For those states which still predominately use the property tax base it would serve them well to improve its collection and administration. The Advisory Commission on Intergovernmental Relations recognizes the neglect and the inequalities in the property tax and proposed legislation for improved assessment procedures as well as recommended to the assessment roles some categories of property which now have reduced levies or none at all.[1] This is nothing new. Mabel Newcomer[2] wrote extensively on these same issues in the early 50's.

AN INDEX OF RELATIVE PROPERTY TAX BURDENS

Population and Per Capita Income

If we are to compare the adaptations which various states have made during the past years, we must look at some differences among the states. Personal income is most commonly used in developing an index. Table 3.4 shows the huge variation among the

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[1]State Local Finances. Significant Features and Suggested Legislation. Advisory Commission on Intergovernmental Relations, M-4, 1972.

[2]Mabel Newcomer. "The Growth of Property Tax Exemptions." National Tax Journal, V, June 1953, p. 128.

TABLE 3.4

TOTAL U.S. PERSONAL INCOME
BY STATES

1975

RANK (1)	STATE NAME (2)	TOTAL PERSONAL INCOME (In Millions) (3)
1	California	139,337
2	New York	118,958
3	Illinois	75,666
4	Pennsylvania	70,206
5	Texas	68,908
6	Ohio	62,514
7	Michigan	56,526
8	New Jersey	49,181
9	Florida	47,055
10	Massachusetts	35,568
11	Indiana	30,023
12	Virginia	28,732
13	North Carolina	26,995
14	Maryland	26,533
15	Missouri	26,244
16	Wisconsin	26,109
17	Georgia	25,052
18	Minnesota	22,793
19	Washington	22,158
20	Connecticut	21,584
21	Tennessee	20,501
22	Louisiana	18,591
23	Iowa	17,440
24	Alabama	16,779
25	Kentucky	16,541
26	Colorado	15,168
27	Oklahoma	14,237
28	Kansas	13,655
29	Oregon	13,201
30	South Carolina	13,014
31	Arizona	11,908
32	Arkansas	9,775
33	Mississippi	9,504
34	Nebraska	9,384
35	West Virginia	8,867
36	Utah	5,937
37	Hawaii	5,674
38	District of Columbia	5,544
39	New Mexico	5,476
40	Rhode Island	5,413
41	Maine	5,071
42	New Hampshire	4,346
43	Idaho	4,234
44	Montana	4,054
45	Nevada	3,935
46	Delaware	3,908
47	North Dakota	3,652
48	South Dakota	3,365
49	Alaska	3,324
50	Vermont	2,336
51	Wyoming	2,294

SOURCE: Survey of Current Business, United States Department of Commerce, Bureau of Economic Analysis, August 1976, Table 1, Total Personal Income, By States and Regions, 1958-1975.

states in total personal income earned in 1975, from 2 million in Wyoming to 139 million in California. This large variation is expected since there is a large variation in population size among the states. When income is controlled by size we still see a wide variation among the states. Table 3.5 shows per capita income in 1975 varied from $9,878 in Alaska to $4,060 in Mississippi, with a United States average of $5,762. Thus Alaska is nearly 2-1/2 times as able as Mississippi to support public services through taxation. New York ranks eighth on this measure with a total per capita income of $6,581. New York still ranks eighth in the latest report of the Department of Commerce with a per capita personal income of $7,100 in 1976.[1] There are a total of twenty states above the United States average in per capita personal income. Figure 3.2 pictures this data.

It was believed by this author that some states would have greater portion of its population over eighteen years of age than other states. In the belief that this portion of the population are the earners of the income and that this might radically alter the per capita personal income figure and the relative rankings of the states on this measure, calculations were performed and appear in Table 3.6 as a per capita "adjusted" income figures. As can be seen, the rankings of the states vary only slightly. New York moves from eighth to tenth in the rankings with adjusted per capita income of $9,326. The number of

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1 See, "Income, Up 9.1% in '76, Is Ahead of Inflation Rate," New York Times, May 11, 1977.

TABLE 3.5

INDEX OF
U.S. PER CAPITA PERSONAL INCOME
BY STATES

1975

RANK (1)	STATE NAME (2)	TOTAL PER CAPITA PERSONAL INCOME (In Dollars) (3)	INDEX (U.S. = 1.00) (4)
1	Alaska	9,878	1.674
2	District of Columbia	7,787	1.319
3	Connecticut	6,962	1.180
4	Illinois	6,758	1.145
5	Delaware	6,750	1.144
6	New Jersey	6,707	1.136
7	Nevada	6,669	1.130
8	New York	6,581	1.115
9	California	6,573	1.114
10	Hawaii	6,537	1.108
11	Maryland	6,434	1.090
12	Washington	6,226	1.055
13	Michigan	6,204	1.051
14	Massachusetts	6,118	1.037
15	Wyoming	6,101	1.034
16	Iowa	6,096	1.033
17	Nebraska	6,078	1.030
18	Kansas	5,993	1.015
19	Colorado	5,969	1.003
20	Pennsylvania	5,920	1.001
21	Ohio	5,823	.987
22	Rhode Island	5,814	.985
23	Minnesota	5,813	.985
24	Oregon	5,780	.979
25	Virginia	5,768	.977
26	North Dakota	5,733	.971
27	Wisconsin	5,689	.964
28	Florida	5,685	.963
29	Indiana	5,651	.957
30	Texas	5,631	.954
31	Missouri	5,505	.933
32	Montana	5,434	.921
33	Arizona	5,383	.912
34	New Hampshire	5,352	.907
35	Oklahoma	5,244	.889
36	Idaho	5,208	.882
37	Georgia	5,081	.861
38	North Carolina	4,961	.841
39	Vermont	4,949	.839
40	South Dakota	4,941	.837
41	Utah	4,935	.836
42	West Virginia	4,929	.835
43	Tennessee	4,913	.832
44	Louisiana	4,885	.828
45	Kentucky	4,884	.828
46	Maine	4,793	.812
47	New Mexico	4,787	.811
48	Alabama	4,641	.786
49	Arkansas	4,633	.785
50	South Carolina	4,621	.783
51	Mississippi	4,060	.688

Source: Survey of Current Business, United States Department of Commence, Bureau of Economic Analysis, August, 1976. Table 2, Per Capita Personal Income, By States and Regions, 1958-1975.

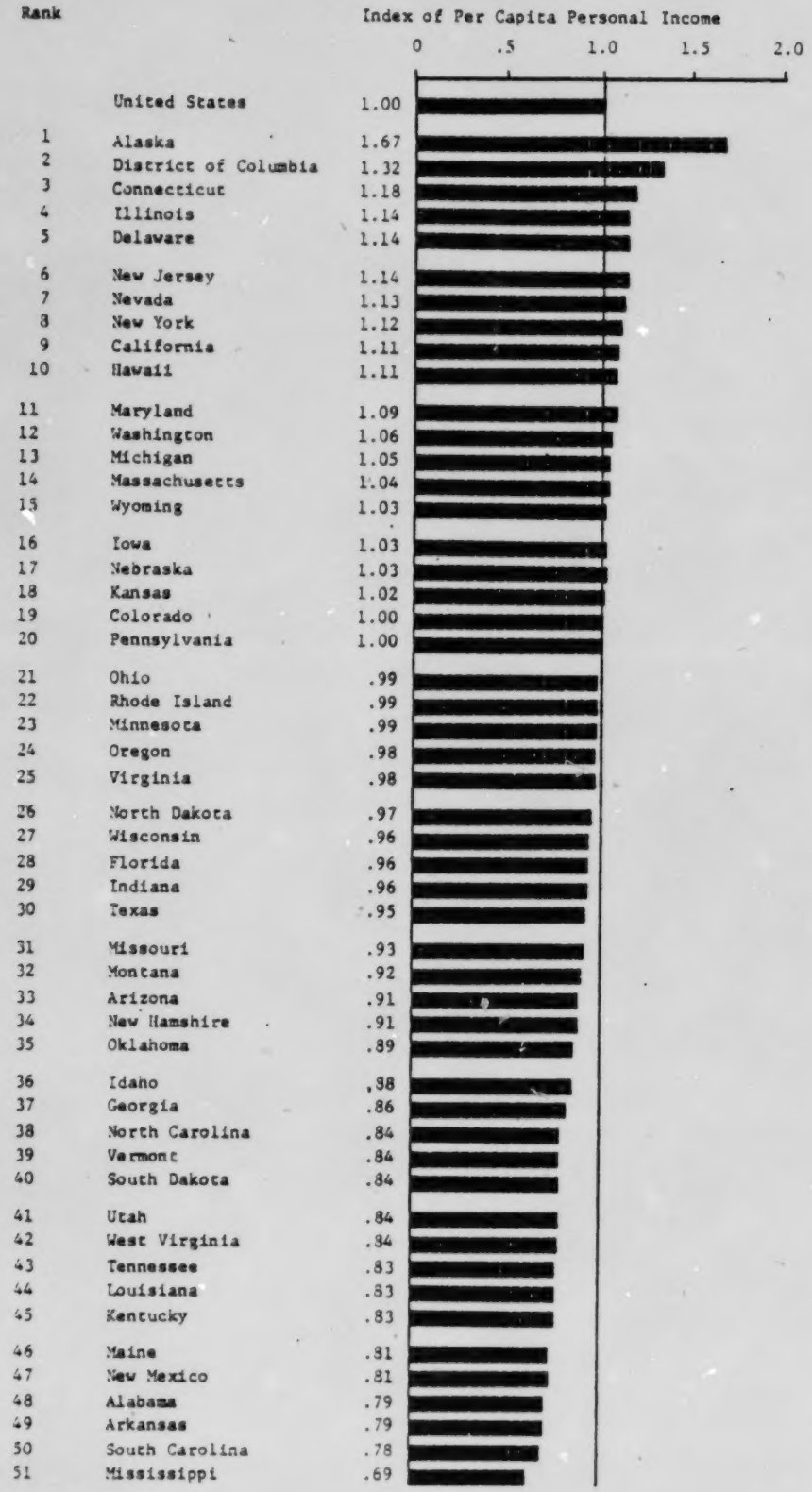

Figure 3.2. Index of United States Per Capita Personal Income, By States, 1975. (Arrayed in Order of Rankings).

states above the United States average remains practically the same at 19. Figure 3.3 graphically presents this index.

Variations and Factors That Determine Taxpayer Burden

Variations in levels of money spent for public services exist among the states as well. For example, current expenditures per pupil in 1975-76 varied from $2,179 in New York State to $881 in Arkansas.[1] Among the states, as within the states, variation in expenditure per pupil is a product of the state's (1) task, the amount of educating to be done; (2) gross ability, the total public wealth available in dollars; and (3) effort, the interest and willingness of the people to tax themselves for schools.[2]

An additional factor that causes variations among the states in the burdens they place on their taxpayers is the differences in the cost of providing similar services among the states, although they are difficult to assess. Wage rate differences, price level differences, variations in standards of living, and climatic differences are regional factors which account for some of the variations among the states in the cost of public services. These kind of variational factors are equally crucial for costs of education.[3]

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[1]Includes current expenditures, excluding capital outlay, interest on school debt, summer school, community services, adult programs and libraries. Source: Fall 1975, Statistics of Public Elementary and Secondary Schools, Advance Report, National Center for Education Statistics. U.S. Dept. of Health, Education and Welfare.

[2]F. W. Harrison and E. P. McLoone, Profiles in School Support: A Decennial Overview, Washington: Government Printing Office, 1965, p. 96.

[3]Orlando F. Furno, "Cost of Education Index," School Management, (Jan. 1960-72).

TABLE 3.6
INDEX OF
U.S. PER CAPITA ADJUSTED PERSONAL INCOME
BASED ON
POPULATION - 18 YEARS AND OLDER
BY STATE

1975

RANK (1)	STATE NAME (2)	TOTAL ADJUSTED PER CAPITA PERSONAL INCOME (In Dollars) (3)	INDEX (U.S. = 1.00) (4)
1	Alaska	14,707	1.717
2	District of Columbia	10,828	1.264
3	Connecticut	9,924	1.159
4	Delaware	9,894	1.155
5	Illinois	9,840	1.149
6	Nevada	9,838	1.148
7	Hawaii	9,683	1.130
8	California	9,385	1.096
9	Maryland	9,378	1.095
10	New York	9,326	1.089
11	Michigan	9,241	1.079
12	Wyoming	9,031	1.054
13	Washington	8,974	1.048
14	Iowa	8,848	1.033
15	Nebraska	8,820	1.030
16	Colorado	8,732	1.019
17	Massachusetts	8,701	1.016
18	New Jersey	8,646	1.009
19	Minnesota	8,569	1.000
20	Kansas	8,535	.996
21	Ohio	8,512	.994
22	North Dakota	8,493	.991
23	Texas	8,379	.978
24	Wisconsin	8,363	.976
25	Virginia	8,355	.975
26	Indiana	8,333	.973
27	Rhode Island	8,252	.963
28	Oregon	8,235	.961
29	Arizona	8,079	.943
30	Montana	8,076	.943
31	Florida	7,895	.922
32	Missouri	7,891	.921
33	Idaho	7,885	.920
34	Utah	7,884	.920
35	New Hampshire	7,817	.913
36	Georgia	7,596	.887
37	Pennsylvania	7,547	.881
38	Oklahoma	7,505	.876
39	Louisiana	7,481	.873
40	New Mexico	7,460	.871
41	South Dakota	7,299	.852
42	Vermont	7,277	.850
43	North Carolina	7,233	.844
44	Kentucky	7,161	.836
45	Tennessee	7,106	.830
46	West Virginia	7,077	.826
47	Maine	7,014	.819
48	South Carolina	6,945	.811
49	Alabama	6,877	.803
50	Arkansas	6,765	.790
51	Mississippi	6,269	.732

Sources: Table 2.4. Population Estimates and Projections. U. S. Department of Commerce Bureau of the Census, Series P-25, No. 646, February 1977. Table 2, Estimates of the Resident Population, of States, By Age: July 1, 1975.

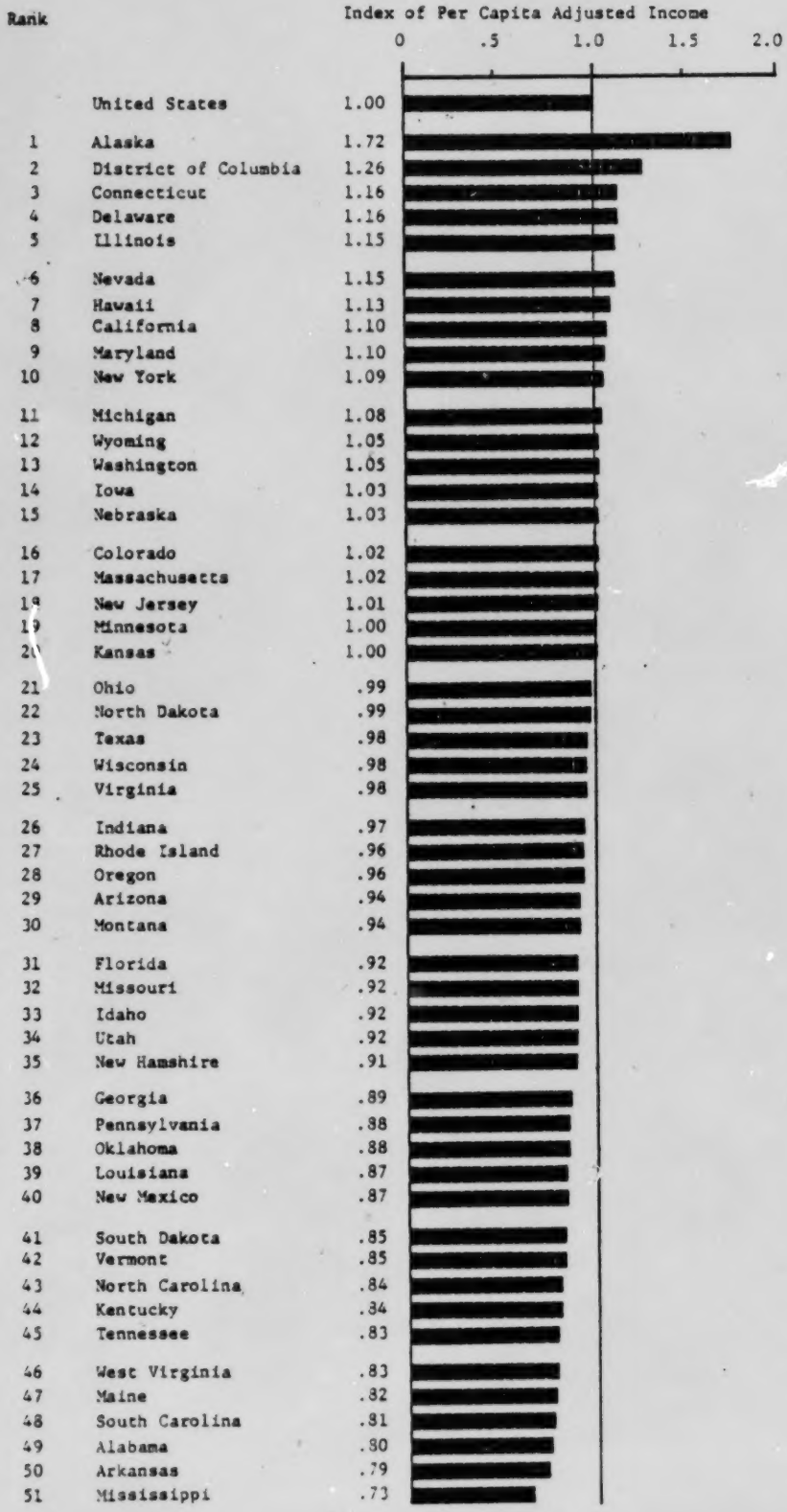

Figure 3.3. Index of U. S. Per Capita Adjusted Personal Income, By States, 1975. (Arrayed in Order of Rankings).

Besides taking into account variations in taxpaying abilities and in the different relative burdens placed upon taxpayers by the different levels of public services at differing costs, this study should take stock of the differences among the states in the degree to which diversification of wealth has taken place. These differences can be gauged by dividing the total personal income of the states by their total true property valuations.

Table 3.7 shows the ratio of estimated real property valuation to total personal income in each state in 1975. This table shows the difference among the states in the way wealth is distributed as between property valuation and income. For an adequate balance between property taxes and non-property taxes the relative portions of state-local taxes should vary in proportion to the index numbers in column 6 of Table 3.7. Since this amount is computed by dividing income by valuation, any formula for computing an index of relative property tax burden that has income in the numerator and valuation in the denominator will take account of it.

Comparative Rates of Property Taxes

An index can easily be computed to compare the differing tax rates among the states. The average property tax rate is found by dividing the total property taxes by the estimated true valuation of property.[1] This figure can then be divided by the

[1]True Valuation is computed by applying the 1972 Aggregate assessment sales price ratio to the gross assessed value (before partial exemptions) as can be seen in Table 3.8. For a detailed description of this methodology, see John O. Behrens, "Property Tax Administration: Use of Assessment Ratios," paper presented at American Education Finance Conference, San Antonio, Texas, March 21, 1977.

TABLE 3.7

ESTIMATED AVERAGE STATE-LOCAL PROPERTY TAX RATES, BY STATES, 1975
(In Millions of Dollars)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	PROPERTY TAX (3)	TRUE VALUATION (4)	ESTIMATED AVERAGE PROPERTY TAX RATE (Per 1,000) (5)	INDEX OF PROPERTY TAX RATE (6)
1	Massachusetts	2508.9	63,572	39.47	2.5697
2	New York	6681.2	252,023	26.51	1.7261
3	North Dakota	121.7	4,596	26.48	1.7241
4	New Jersey	3018.5	125,776	24.00	1.5626
5	New Hampshire	257.7	11,006	23.41	1.5245
6	Illinois	3131.4	140,992	22.21	1.4461
7	Pennsylvania	1931.1	88,778	21.75	1.4163
8	Indiana	1229.4	62,128	19.79	1.2884
9	Michigan	2670.9	136,247	19.60	1.2764
10	Connecticut	1088.3	56,729	19.18	1.2491
11	California	7908.9	420,015	18.83	1.2260
12	South Dakota	182.1	9,831	18.52	1.2060
13	Vermont	141.0	7,762	18.17	1.1827
14	Nebraska	434.1	24,849	17.47	1.1374
15	Wisconsin	1248.9	73,635	16.96	1.1043
16	Ohio	2175.6	133,132	16.34	1.0640
17	Maryland	871.4	54,171	16.09	1.0474
18	Maine	244.6	15,482	15.80	1.0278
19	Oregon	633.8	40,629	15.60	1.0157
20	Kansas	573.6	38,485	14.90	.9704
21	Missouri	875.8	61,851	14.16	.9219
22	Tennessee	489.1	35,679	13.71	.8925
23	Montana	227.2	16,610	13.68	.8906
24	Texas	2343.1	186,702	12.55	.8171
25	Nevada	150.0	12,502	12.00	.7812
26	Virginia	782.1	67,086	11.66	.7590
27	Colorado	542.2	47,903	11.32	.7369

TABLE 3.7

ESTIMATED AVERAGE STATE-LOCAL PROPERTY TAX RATES, BY STATES, 1975 (Con't.)
(In Millions of Dollars)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	PROPERTY TAX (3)	TRUE VALUATION (4)	ESTIMATED AVERAGE PROPERTY TAX RATE (Per 1,000) (5)	INDEX OF PROPERTY TAX RATE (6)
28	Georgia	799.8	75,368	10.61	.6909
29	Alaska	75.8	8,049	9.42	.6131
30	Utah	183.1	19,793	9.25	.6023
31	Arizona	518.9	57,598	9.01	.5865
32	Oklahoma	317.3	35,322	8.98	.5849
33	Mississippi	228.1	26,346	8.66	.5637
34	District of Columbia	140.9	16,277	8.66	.5636
35	Kentucky	322.2	37,348	8.63	.5617
36	Idaho	131.4	15,806	8.31	.5413
37	New Mexico	109.5	13,378	8.19	.5328
38	Wyoming	105.9	13,220	8.01	.5215
39	Florida	1358.8	172,440	7.88	.5130
40	Delaware	74.0	9,428	7.85	.5110
41	West Virginia	181.8	24,880	7.31	.4757
42	Minnesota	907.6	132,732	6.84	.4452
43	South Carolina	283.5	43,974	.45	.4197
44	Washington	814.7	130,774	6.23	.4057
45	Louisiana	322.8	54,153	5.96	.3881
46	Hawaii	130.1	22,520	5.78	.3761
47	Alabama	191.3	33,148	5.77	.3757
48	Arkansas	189.6	33,500	5.66	.3685
49	North Carolina	641.6	119,958	5.35	.3482
50	Iowa	754.4	194,351	3.88	.2527
51	Rhode Island	250.3	107,678	2.32	.1513
	All States	51490.9	3,352,664	15.36	1.0000

Source: U. S. Bureau of the Census, Government Finances, Series GGF57, G-GF67 and G-GF75 Col. 4, Table 3.8; Col. 5 and 6, Calculated by 842 Staff.

TABLE 3.8

ESTIMATES OF TRUE VALUATIONS OF PROPERTY BY STATES, 1975
(Millions of Dollars)

STATE NAME (1)	GROSS ASSESSED VALUE (Before Partial Exemptions) (2)	1972 AGGREGATE ASSESSMENT SALES PRICE RATIO (3)	TRUE VALUATION (4)
Alabama	6,066	18.3	33,148
Alaska	5,981	73.2	8,049
Arizona	5,875	10.2	57,598
Arkansas	3,283	9.8	33,500
California	82,743	19.7	420,015
Colorado	8,431	17.6	47,903
Connecticut	24,929	46.4	56,729
Delaware	3,281	34.8	9,428
District of Columbia	7,862	48.3	16,277
Florida	99,498	57.7	172,440
Georgia	25,776	34.2	75,368
Hawaii	11,598	51.5	22,520
Idaho	1,549	9.8	15,806
Illinois	53,013	37.6	140,992
Indiana	14,103	22.7	62,128
Iowa	43,729	22.5	194,351
Kansas	7,697	20.0	38,485
Kentucky	31,335	83.9	37,348
Louisiana	6,715	12.4	54,153
Maine	7,447	48.1	15,482
Maryland	25,406	46.9	54,171
Massachusetts	29,879	47.0	63,572
Michigan	56,815	41.7	136,247
Minnesota	10,884	8.2	132,732
Mississippi	3,346	12.7	26,346
Missouri	13,298	21.5	61,851
Montana	1,362	8.2	16,610
Nebraska	6,734	27.1	24,849
Nevada	3,338	26.7	12,502
New Hampshire	6,813	61.9	11,006
New Jersey	72,950	58.0	125,776
New Mexico	3,358	25.1	13,378
New York	77,623	30.8	252,023
North Carolina	51,102	42.6	119,958
North Dakota	671	14.6	4,596
Ohio	47,395	35.6	133,132
Oklahoma	5,369	15.2	35,322
Oregon	33,641	82.8	40,629
Pennsylvania	23,970	27.0	88,778
Rhode Island	5,485	50.6	107,678
South Carolina	1,671	3.8	43,974
South Dakota	3,608	36.7	9,831
Tennessee	10,882	30.5	35,679
Texas	31,926	17.1	186,702
Utah	2,771	14.0	19,793
Vermont	2,282	29.4	7,762
Virginia	22,675	33.8	67,086
Washington	46,022	35.2	130,744
West Virginia	8,683	34.9	24,880
Wisconsin	33,283	45.2	73,635
Wyoming	2,168	16.4	13,220
All States	1,096,321	32.7	3,352,664

Sources: U.S. Bureau of the Census, Census of Governments, 1972 Vol. 2, Taxable Property Values and Assessment-Sales Price Ratios. U.S. Government Printing Office, Washington, D.C., 1973; U.S. Bureau of the Census. Property Values Subject to Local General Property Taxation in the United States: 1975. Series GSS No. 80 U.S. Government Printing Office, Washington, D.C., 1976.

average property tax rate in that state as compared with average practice for the United States.

Table 3.9 shows the estimated property tax rates, by states, for the year 1975. The range is from $2.32 per $1,000 in Rhode Island to $39.47 per $1,000 in Massachusetts. The median state is Nevada with a $12.00 per $1,000 rate. The average for the United States is $15.36 per $1,000. The index of property tax rate for the United States, which compares the property tax rate in a state with that of the United States, varies from .1513 in Rhode Island to 2.5697 in Massachusetts. New York State has the second highest estimated property tax rate, $26.51 per $1,000, and has an Index of Property Tax Rate of 1.7261.

The rates presented in Table 3.9 do not take into account differences in the distribution of wealth among the states as between property and other forms. Neither do the rates take into account the choices of the people in various states as to the amount of public services they want for themselves. The more public services the people of a state choose, it should be expected that their tax rates will be higher. This is true of all taxes. For instance Table 3.9 shows New York has a higher average property tax rate than New Hampshire. If New York also levies nonproperty taxes at a higher rate than New Hampshire, it may be that it is taxing property at a lower rate in proportion to nonproperty tax rates.

In order to evaluate the burden on the property tax in proportion to other forms of state-local taxation, we must

RELATIONSHIP BETWEEN PERSONAL INCOME AND TRUE VALUATION
BY STATES, 1975, IN MILLIONS OF DOLLARS
(Arrayed in Order of Ratios of Income to True Valuation)

RANK (1)	STATE NAME (2)	PERSONAL INCOME (3)	TRUE VALUATION (4)	RATIO OF INCOME TO TRUE VALUATION (5)	INDEX OF RATIO (6)
1	North Dakota	3,652	4,596	.7946	2.1189
2	Pennsylvania	70,296	88,778	.7918	2.1114
3	Tennessee	20,501	35,679	.5745	1.5320
4	Massachusetts	35,568	63,572	.5594	1.4917
5	Illinois	75,666	140,992	.5366	1.4309
6	Alabama	16,779	33,148	.5061	1.3496
7	Maryland	26,533	54,171	.4898	1.3061
8	Indiana	30,023	62,128	.4832	1.2885
9	New York	118,958	252,023	.4720	1.2586
10	Ohio	62,514	133,132	.4695	1.2520
11	Kentucky	16,541	37,348	.4428	1.1808
12	Virginia	28,732	67,086	.4282	1.1418
13	Michigan	56,526	136,247	.4148	1.1061
14	Missouri	26,244	61.851	.4243	1.1314
15	Delaware	3,908	9,428	.4145	1.1053
16	Alaska	3,324	8,049	.4129	1.1010
17	New Mexico	5,476	13,378	.4093	1.0914
18	Oklahoma	14,237	35,322	.4030	1.0746
19	New Hampshire	4,346	11,006	.3948	1.0528
20	New Jersey	49,181	125,776	.3910	1.0426
21	Connecticut	21,584	56,729	.3804	1.0138
22	Nebraska	9,384	24,849	.3776	1.0069
23	Texas	68,903	186,702	.3690	.9840
24	Mississippi	9,504	26,346	.3607	.9618
25	West Virginia	8,867	24,880	.3563	.9501
26	Kansas	13,655	38,485	.3548	.9461
27	Wisconsin	26,109	73,635	.3545	.9453
28	Louisiana	18,591	54,153	.3433	.9154
29	South Dakota	3,365	9,831	.3422	.9125
30	District of Columbia	5,544	16,277	.3406	.9082

RELATIONSHIP BETWEEN PERSONAL INCOME AND TRUE VALUATION BY STATES, 1975, IN MILLIONS OF DOLLARS (Con't.)

(Arrayed in Order of Ratios of Income to True Valuation)

RANK (1)	STATE NAME (2)	PERSONAL INCOME (3)	TRUE VALUATION (4)	RATIO OF INCOME TO TRUE VALUATION (5)	INDEX OF RATIO (6)
31	Georgia	25,052	75,368	.3323	.8861
32	California	139,337	420,015	.3317	.8845
33	Maine	5,071	15,482	.3275	.8733
34	Oregon	13,201	40,629	.3249	.8664
35	Colorado	15,168	47,903	.3166	.8442
36	Nevada	3,935	12,502	.3147	.8392
37	Vermont	2,336	7,762	.3009	.8024
38	Utah	5,937	19,793	.2999	.7997
39	Arkansas	9,775	33,500	.2917	.7778
40	Florida	47,055	172,440	.2728	.7274
41	Idaho	4,234	15,806	.2678	.7141
42	South Carolina	13,014	43,974	.2559	.6824
43	Hawaii	5,674	22,520	.2519	.6717
44	Montana	4,054	16,610	.2440	.6506
45	North Carolina	26,995	119,958	.2250	.6000
46	Arizona	11,908	57,598	.2026	.5402
47	Wyoming	2,294	13,220	.1735	.4626
48	Minnesota	22,793	132,732	.1717	.4578
49	Washington	22,158	130,744	.1694	.4517
50	Iowa	17,440	194,351	.0897	.2392
51	Rhode Island	5,413	107,678	.0502	.1338
	All States	1,257,354	3,352,664	.375	1.000

Source: Col. 3, Table 3.4; Col. 4, Table 3.7; Col. 5 and 6 calculated by 842 staff.

investigate the total state-local tax burdens among the states.

Comparative State-Local Tax Burdens

Table 3.10 displays the percentage of personal income which is paid for total state-local taxes. New York imposes the heaviest tax burden, nearly twice as much as Arkansas, the state imposing the least tax burden, by this measure of personal income. New York citizens pay 15.6 percent of their personal income for state-local taxes, whereas Arkansas' citizens pay 8.8 percent of their income for state-local taxes.

In terms of an index with the United States Average equal 1.00, the range is from .78 in Arkansas to 1.37 in New York. Most states are below the U.S. average, only 15 states having an index of 1.00 or more, although 26 of the states fall within the range, .90 to 1.1.

Index of Relative Property Tax Burdens

In his tax leeway study Robert Lamitie developed an index of relative Property Tax Burdens to assess the relative overburden on the property tax base compared to other states. This simple and straight-forward method makes it possible to compute the burden on property taxes in a state as compared to other taxes, using as "a 'normal' relationship the average relationship between these tax bases in the United States."[1]

Table 3.11 shows the Indexes of Relative Property Tax Burdens, by states, for fiscal years ending in 1975. The indexes

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[1] For a detailed explanation of this methodology see Robert E. Lamitie, An Index of Relative Property Tax Burdens Among the States, pp. 29-30.

TABLE 3.10

INDEXES OF TAX BURDEN FOR TOTAL STATE-LOCAL TAXES, BY STATES, 1975
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL STATE-LOCAL TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN PERCENT OF INCOME (5)	INDEX OF TAX BURDEN (6)
1	New York	18,547.7	118,958	15.6	1.37
2	Vermont	329.4	2,336	14.1	1.25
3	Massachusetts	4,741.6	35,568	13.3	1.19
4	California	18,401.6	139,337	13.2	1.17
5	Hawaii	737.4	5,674	13.0	1.16
6	Minnesota	2,961.4	22,793	13.0	1.15
7	Wisconsin	3,313.2	26,109	12.7	1.13
8	Arizona	1,463.5	11,908	12.3	1.09
9	Maine	605.1	5,071	11.9	1.06
10	Nevada	456.0	3,935	11.6	1.03
11	Louisiana	2,146.9	18,591	11.5	1.03
12	New Mexico	628.6	5,476	11.5	1.02
13	Wyoming	260.6	2,294	11.4	1.01
14	Montana	457.9	4,054	11.3	1.00
15	Maryland	2,982.6	26,533	11.2	1.00
16	Mississippi	1,046.2	9,504	11.0	.98
17	Michigan	6,242.9	56,526	11.0	.98
18	South Dakota	370.8	3,365	11.0	.98
19	Rhode Island	597.7	5,413	11.0	.98
20	Oregon	1,452.7	13,201	11.0	.98
21	West Virginia	960.5	8,867	10.8	.96
22	Washington	2,394.7	22,158	10.8	.96
23	New Jersey	5,307.6	49,181	10.8	.96
24	Illinois	8,138.8	75,666	10.8	.96
25	Delaware	421.2	3,908	10.8	.96
26	Pennsylvania	7,527.1	70,206	10.8	.95
27	North Dakota	389.5	3,652	10.7	.95

TABLE 3.10

INDEXES OF TAX BURDEN FOR TOTAL STATE-LOCAL TAXES, BY STATES, 1975 (Con't.)
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL STATE-LOCAL TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN PERCENT OF INCOME (5)	INDEX OF TAX BURDEN (6)
28	Colorado	1,598.0	15,168	10.5	.94
29	Iowa	1,829.5	17,440	10.5	.93
30	Utah	610.2	5,937	10.3	.91
31	Indiana	3,080.6	30,023	10.3	.91
32	Kentucky	1,688.0	16,541	10.2	.91
33	Idaho	433.0	4,234	10.2	.91
34	Georgia	2,502.0	25,052	10.0	.89
35	Connecticut	2,156.8	21,584	10.0	.89
36	New Hampshire	429.6	4,346	9.9	.88
37	Kansas	1,355.5	13,655	9.9	.88
38	District of Columbia	543.6	5,544	9.8	.87
39	North Carolina	2,646.2	26,995	9.8	.87
40	Virginia	2,796.2	28,732	9.7	.87
41	South Carolina	1,255.9	13,255	9.5	.84
42	Missouri	2,490.5	26,244	9.5	.84
43	Nebraska	892.3	9,384	9.5	.84
44	Florida	4,357.2	47,055	9.3	.82
45	Tennessee	1,887.3	20,501	9.2	.82
46	Oklahoma	1,306.7	14,237	9.2	.82
47	Texas	6,304.3	68,908	9.1	.81
48	Ohio	5,743.4	62,514	9.2	.81
49	Alaska	296.4	3,324	8.9	.79
50	Alabama	1,499.2	16,779	8.9	.79
51	Arkansas	857.5	9,775	8.8	.78
	All States	141,443.1	1,257,354	11.2	1.00

Source: U.S. Bureau of the Census, Government Finances, Series G-GF57, G-GF67, G-GF75; Col. 4 Table 3.4; Col. 5 & 6 Calculated by 842 Staff.

vary from 3.06 in Massachusetts to .15 in Rhode Island, which places the lowest relative burden on property. Thus the variation is such that Massachusetts burdens its property tax base 3.06 times as heavily relative to other tax bases as the United States as a whole and over twenty times as heavily as does Rhode Island. One can derive the same relationships among the other states from the table.

For example, New York State's Index of Relative Property Tax burden is 1.26. This means New York burdens its porperty tax base almost twice as much as Florida and eight and one-half as heavily as the lowest ranked state, Rhode Island.

New York and
Property Taxes

It is obvious that property taxes play an important part of New York's state-local fiscal scene. New York ranked fourth in the nation in terms of per capita property taxes in 1974-75. Property taxes equalled $368.72[1] for every man, woman, and child in this state, exceeding the national average by 52.6 percent. Only Massachusetts, New Jersey, and California ranked higher than New York.

New York ranked seventh in terms of property tax collections per $1,000 of personal income during fiscal year 1975. This tax amounted to $59.90 per $1,000, which was $15.24 per $1,000 below Massachusetts, the highest state, and $15.19 above the National Average. Table 3.12 below shows these figures extracted from a recent citizen report.[2]

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[1] U. S. Bureau of the Census, Governmental Finances in 1974-75, Table 22; Series GF75-No. 5 (Washington, D.C. 1976.)

[2] See, Survey Facts: Citizens Public Expenditure Survey, Inc. of New York State, April 1977.

TABLE 3.11

INDEXES OF RELATIVE PROPERTY TAX BURDENS, BY STATES, 1975
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	INDEX OF PROPERTY TAX RATE (3)	INDEX OF TAX BURDEN (4)	INDEX OF RELATIVE PROPERTY TAX BURDEN (5)
1	Massachusetts	2.5697	1.19	2.16
2	North Dakota	1.7241	.95	1.81
3	New Hampshire	1.5245	.88	1.73
4	New Jersey	1.5626	.96	1.62
5	Illinois	1.4461	.96	1.51
6	Pennsylvania	1.4163	.95	1.49
7	Indiana	1.2884	.91	1.42
8	Connecticut	1.2491	.89	1.40
9	Nebraska	1.1374	.85	1.34
10	Ohio	1.0640	.81	1.31
11	Michigan	1.2764	.98	1.30
12	New York	1.7261	1.37	1.26
13	South Dakota	1.2060	.98	1.23
14	Kansas	.9704	.88	1.10
15	Missouri	.9219	.84	1.10
16	Tennessee	.8925	.82	1.09
17	California	1.2260	1.17	1.05
18	Maryland	1.0474	1.00	1.05
19	Oregon	1.0157	.98	1.04
20	Texas	.8157	.81	1.01
21	Wisconsin	1.1043	1.13	.98
22	Maine	1.0278	1.06	.97
23	Vermont	1.1827	1.25	.95
24	Virginia	.7590	.87	.87
25	Montana	.8906	1.00	.86

TABLE 3.11

INDEXES OF RELATIVE PROPERTY TAX BURDENS, BY STATES, 1975
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	INDEX OF PROPERTY TAX RATE (3)	INDEX OF TAX BURDEN (4)	INDEX OF RELATIVE PROPERTY TAX BURDEN (5)
26	Colorado	.7369	.94	.78
27	Georgia	.6909	.89	.78
28	Alaska	.6131	.79	.78
29	Nevada	.7812	1.03	.76
30	Oklahoma	.5849	.82	.71
31	Utah	.6023	.91	.66
32	District of Columbia	.5636	.87	.65
33	Florida	.5130	.82	.63
34	Kentucky	.5617	.91	.62
35	Idaho	.5413	.91	.59
36	Mississippi	.5637	.98	.58
37	Arizona	.5865	1.09	.54
38	Delaware	.5110	.96	.53
39	New Mexico	.5328	1.02	.52
40	Wyoming	.5215	1.01	.52
41	South Carolina	.4197	.84	.50
42	West Virginia	.4757	.96	.50
43	Alabama	.3757	.79	.48
44	Arkansas	.3685	.78	.47
45	Washington	.4057	.96	.42
46	North Carolina	.3482	.87	.40
47	Minnesota	.4452	1.15	.39
48	Louisiana	.3881	1.03	.38
49	Hawaii	.3761	1.16	.32
50	Iowa	.2527	.93	.27
51	Rhode Island	.1513	.98	.15
	All States	1.0000	1.00	1.00

Source: Col. 3, Table 3.7, Col. 4, Table 3.10, Col. 5, Calculated by 842 Staff.

TABLE 3.12

PROPERTY TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME IN 1975

State	Amount	Rank
Massachusetts	$75.14	1
Vermont	66.15	2
New Jersey	65.92	3
California	64.51	4
Montana	62.37	5
New York	59.90	6
U. S. Average	44.71	

If property taxes are investigated in terms of their burden on personal income in New York State, a similar picture emerges. New York ranks sixth in the percent of personal income which is paid for property taxes in 1975. Table 3.13 shows that 5.62 percent of total personal income is paid for property taxes. Massachusetts ranks first with 7.05 percent of personal income paid out in property taxes. In terms of an Index of Tax Burden 20 states are above the United States average of 4.1 percent. New York's Index of Tax Burden on this measure is 1.37.

It is clear property taxes contribute greatly to the state-local tax coffers, but these are not the only taxes which make up New York's revenue collections. Chapters 4 and 5 will briefly investigate the importance in New York State of two other taxes sales and gross receipts and individual income taxes.

TABLE 3.13

INDEXES OF TAX BURDEN FOR PROPERTY TAXES BY STATES, 1975
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL PROPERTY TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN % OF INCOME (5)	INDEX OF TAX BURDEN (6)
1	Massachusetts	$2,508.9	$ 35,568	7.05	1.72
2	New Jersey	3,018.5	49,181	6.14	1.50
3	Vermont	141.0	2,336	6.04	1.47
4	New Hampshire	257.7	4,346	5.93	1.45
5	California	7,908.9	139,337	5.68	1.38
6	New York	6,681.2	118,958	5.62	1.37
7	Montana	227.2	4,054	5.60	1.37
8	South Dakota	182.1	3,365	5.41	1.32
9	Connecticut	1,088.3	21,584	5.04	1.23
10	Maine	244.6	5,071	4.82	1.18
11	Oregon	633.8	13,201	4.80	1.17
12	Wisconsin	1,248.9	26,109	4.78	1.17
13	Michigan	2,670.9	56,526	4.73	1.15
14	Nebraska	434.1	9,384	4.63	1.13
15	Rhode Island	250.3	5,413	4.62	1.13
16	Wyoming	105.9	2,294	4.62	1.13
17	Arizona	518.9	11,908	4.36	1.06
18	Iowa	754.4	17,440	4.33	1.06
19	Kansas	573.6	13,655	4.20	1.02
20	Illinois	3,131.4	73,666	4.14	1.01
21	Indiana	1,229.4	30,023	4.09	1.00
22	Minnesota	907.6	22,793	3.98	.97
23	Nevada	150.0	3,935	3.81	.93
24	Washington	814.7	22,158	3.68	.90
25	Colorado	542.2	15,168	3.57	.87
26	Ohio	2,175.6	62,514	3.48	.85
27	Texas	2,343.1	68,908	3.40	.83
28	Missouri	875.8	26,244	3.34	.81

INDEXES OF TAX BURDEN FOR PROPERTY TAXES BY STATES, 1975 (Con't.)
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL PROPERTY TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN % OF INCOME (5)	INDEX OF TAX BURDEN (6)
29	North Dakota	121.7	3,652	3.33	.81
30	Maryland	871.4	26,533	3.29	.80
31	Georgia	799.8	25,052	3.19	.78
32	Idaho	131.4	4,234	3.10	.76
33	Utah	183.1	5,937	3.08	.75
34	Florida	1,358.8	47,055	2.89	.70
35	Pennsylvania	1,931.1	70,206	2.75	.67
36	Virginia	782.1	28,732	2.72	.66
37	District of Columbia	140.9	5,544	2.54	.62
38	Mississippi	228.1	9,504	2.40	.59
39	North Carolina	641.6	26,995	2.38	.58
40	Tennessee	489.1	20,501	2.39	.58
41	Hawaii	130.1	5,674	2.29	.56
42	Alaska	75.8	3,324	2.28	.56
43	Oklahoma	317.3	14,237	2.23	.54
44	South Carolina	283.5	13,014	2.18	.53
45	West Virginia	181.8	8,867	2.05	.50
46	New Mexico	109.5	5,476	2.00	.49
47	Kentucky	322.2	16,541	1.95	.48
48	Arkansas	189.6	9,775	1.94	.47
49	Delaware	74.0	3,908	1.89	.46
50	Louisiana	322.8	18,591	1.74	.42
51	Alabama	191.3	16,779	1.14	.28
	All States	51,490.9	1,257,354	4.10	1.00

Source: Col. 3, Table 3.7; Col. 4, Table 3.4; Col. 5 and 6, Calculated by 842 staff.

CHAPTER 4

INDIVIDUAL INCOME TAXES

Chapter 4 details the relative shares of state-local taxe burdens that are borne by individual income taxes among the states. The Chapter addresses some of the variations that exist among the states, and assesses the relative burden this tax places upon the citizens of the states. Special emphasis is placed upon the New York State situation.

United States and New York State Individual Income Taxes

Over the last decade many states have increasingly turned to individual income taxes as a way to broaden their tax bases and to relieve some of the burden which was on the property tax base. Many cities and localities likewise incorporated individual income taxes in their tax structures.

Table 4.1 shows individual income taxes as a percent of total state and local taxes in 1957, 1967, and 1975. In the period 1957 to 1967, a portion of the states slightly shifted its tax system so that a greater percentage of state-local tax revenue in 1967 was raised by individual income taxes than in 1957. This phenomenon was true in the majority of the states.

New York increased its dependence on the individual income tax as a contributor of state-local tax revenue from 19.5 percent in 1957 to 22.1 percent in 1967, an increase of 2.6 percent. New York's rank in order of its dependence on the individual income tax, as measured by its percent of total state-local taxes,

TABLE 4.1

INDIVIDUAL INCOME TAXES, PERCENT OF TOTAL STATE & LOCAL TAXES: 1957, 1967, & 1975
(Arrayed in Order of 1975 Rankings)

State (1)	1957 Percent Income Taxes of State - Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Income Taxes of State - Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Income Taxes of State - Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Income Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Income Taxes 1967-1975 (13)
Delaware	25.1	2.82	3	30.5	3.21	1	2		38.8	1.95	1			+ 5.4	+ 8.3
Maryland	15.4	1.73	10	18.1	1.91	10			36.2	1.82	2	8		+ 2.7	+18.1
Oregon	32.3	3.63	1	24.4	2.57	4		3	35.6	1.79	3	1		- 7.9	+10.7
Alaska				26.8	2.82	2			35.2	1.77	4		2		+ 8.4
Minnesota	14.4	1.62	11	19.4	2.04	9	2		33.9	1.70	5	4		+ 5.0	+14.5
District of Columbia	18.3	2.06	8	23.4	2.46	5	3		31.5	1.58	6		1	+ 5.1	+ 8.1
Wisconsin	23.4	2.63	4	24.9	2.62	3	1		31.0	1.56	7		4	+ 1.5	+ 6.1
New York	19.5	2.19	6	22.1	2.33	6			29.4	1.48	8		2	+ 2.6	+ 7.3
Idaho	14.2	1.60	12	15.2	1.60	14		2	27.6	1.39	9	5		+ 1.0	+12.4
Hawaii				21.1	2.22	7			27.1	1.36	10		3		+ 6.0
North Carolina	19.6	2.20	5	16.8	1.77	13		8	27.1	1.36	11	2		- 2.8	+10.3
Pennsylvania	9.2	1.03	19	7.0	0.74	27		8	26.9	1.35	12	15			+11.2
Kentucky	19.3	2.17	7	17.6	1.85	12		5	26.5	1.33	13		1	- 1.7	+ 8.9
Massachusetts	13.9	1.56	13	13.4	1.41	16		3	26.4	1.33	14	2		- 0.5	+13.0
Montana	7.9	0.89	24	11.5	1.21	19		5	2.42	1.22	15	4		+ 3.6	+12.7
Virginia	27.2	3.06	2	17.8	1.87	11		9	23.8	1.20	16		5	- 9.4	+ 6.0
South Carolina	13.8	1.55	14	12.2	1.28	17		3	23.4	1.18	17			- 1.6	+11.2
Iowa	6.6	0.74	26	11.7	1.23	18	8		23.1	1.16	18			+ 5.1	+11.4
North Dakota	4.3	0.48	32	6.5	0.68	29	3		21.7	1.09	19	10		+ 2.2	+15.2
Ohio				4.6	0.48	33			21.3	1.07	20	13			

TABLE 4.1 (Con't.)

State (1)	1957 Percent Income Taxes of State - Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Income Taxes of State - Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Income Taxes of State - Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Income Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Income Taxes 1967-1975 (13)
Colorado	8.8	0.99	20	11.4	1.20	20			21.2	1.07	21		1	+ 2.6	+ 9.8
Arkansas	8.5	0.96	21	8.0	0.84	26		5	21.1	1.06	22	4		- 0.5	+13.1
California	9.4	1.06	18	6.3	0.66	30		12	20.2	1.02	23	7		- 3.1	+13.9
Utah	13.4	1.51	15	13.6	1.43	15			20.1	1.01	24		9	+ 0.2	+ 6.5
Vermont	17.6	1.98	9	19.6	2.06	8	1		19.8	0.99	25		17	+ 2.0	+ 0.2
Georgia	10.2	1.15	16	9.9	1.04	23		7	19.7	0.99	26		3	- 0.3	+ 9.8
Michigan				2.2	0.23	37			19.5	0.98	27	10			+17.3
Rhode Island	6.1	0.69	29						19.5	0.98	28				
Kansas	4.9	0.55	31	9.9	1.04	24	7		18.9	0.95	29		5	+ 5.0	+ 9.0
Alabama	9.8	1.10	17	8.9	0.94	25		8	17.7	0.89	30		5	- 0.9	+ 8.8
Illinois									17.7	0.89	31				+ 5.9
Missouri	6.8	0.76	25	11.3	1.19	21	4		17.7	0.89	32		11	+ 4.5	+ 6.4
Indiana				10.3	1.08	22			16.2	0.81	33		11		+ 5.9
Oklahoma	6.6	0.74	27	5.0	0.53	32		5	15.7	0.79	34		2	- 1.6	+16.7
West Virginia				6.7	0.71	28			14.4	0.72	35		7		+ 7.7
Arizona	8.2	0.92	23	5.1	0.54	31		8	14.2	0.71	36		5	- 3.1	+ 9.1
Mississippi	8.5	0.96	22	2.3	0.24	36		14	12.1	0.61	37		1	- 6.2	+ 9.8
New Mexico	4.1	0.46	33	4.2	0.44	34		1	11.9	0.60	38		4	+ 0.1	+ 7.7
Nebraska									11.7	0.59	39				
Maine									10.7	0.54	40				
Louisiana	5.9	0.66	30	3.7	0.39	35			8.7	0.44	41		6	- 2.2	+ 5.0
New Hampshire	1.7	0.19	34	1.5	0.16	38		4	8.1	0.41	42		4	- 0.2	+ 6.6
Tennessee	0.6	0.07	35	1.1	0.12	39		4	7.7	0.39	43		4	+ 0.5	+ 6.6
Connecticut	6.5	0.73	28						7.1	0.36	44				
New Jersey				0.5	0.5	40			4.7	0.24	45		5		+ 4.2

TABLE 4.1 (Con't.)

State (1)	1957 Percent Income Taxes of State - Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Income Taxes of State - Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up Down (8)	1975 Percent Income Taxes of State - Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up Down (12)	Increase or Decrease In Percent Raised By Income Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Income Taxes 1967-1975 (13)
Florida	--	--	--	--	--	--	--	4.1	0.21	46	--	--	--
South Dakota	0.2	0.02	36	--	--	--	--	0.5	0.03	47	--	--	--
Wyoming	--	--	--	--	--	--	--	--	--	48	--	--	--
Texas	--	--	--	--	--	--	--	--	--	49	--	--	--
Nevada	--	--	--	--	--	--	--	--	--	50	--	--	--
Washington	--	--	--	--	--	--	--	--	--	51	--	--	--
All States	8.9	1.00		9.5	1.00			19.9	1.00				

Source: Table 6.1, 6.2, 6.3. Tax Percentages.

Notes: Local government amounts are estimates subject to sampling variation. Duplicative transactions between levels of government are excluded. Indexes and percentages were originally calculated to four decimal places and ranked accordingly. Therefore, apparent ties are due to rounding of data.

was sixth in 1967. Delaware ranked first, with income tax representing 30.5 percent of total state-local taxes.

New York's Index of U.S. Average was 2.33, significantly higher than the United States average. Nevertheless, a great deal of variation of reaction took place among the states. The portion of total burden that was shifted from other taxes to individual income taxes varied from a decrease of 7.9 percent in Oregon to an increase of 5.4 percent in Delaware, with an average increase of less than one percent for all the states.

This barely noticeable pattern continued more strongly in the period from 1967 to 1975. Nearly all of the states increased their dependence on individual income taxes. New York again increased the percent raised by individual income taxes by another 7.3 percent, raising 29.4 percent of all state-local taxes in 1975. New York ranks eighth in order of dependence on individual income taxes as a percent of total state-local taxes in 1975.

The shift of the tax paying burden from other taxes to individual income taxes varied among the states, from increase to an 18.1 percent increase in Maryland, with an average increase of 10.4 percent for all the states. This represents a very noticeable and significant trend among the states. As the states were lessening their dependence on the property tax base, they were apparently shifting the dependence, to the individual income tax base.

This represents a large increase in individual income taxes. Tables 4.2, 4.3, and Table 4.4 portray individual income taxes, sales and gross receipts taxes, and property taxes for 1957, 1967, and 1975. Figures 4.1 and 4.2 portray these taxes for the

TABLE 4.2

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1957

STATE (1)	TOTAL (2)	PROPERTY Amount (3)	PROPERTY % (4)	SALES & GROSS RECEIPTS Amount (5)	SALES & GROSS RECEIPTS % (6)	INDIVIDUAL INCOME Amount (7)	INDIVIDUAL INCOME % (8)
Alabama	262.2	64.7	24.7	166.0	63.3	31.5	12.0
Alaska	-	-	-	-	-	-	-
Arizona	166.5	84.9	51.0	66.5	40.0	15.1	9.1
Arkansas	149.7	47.3	31.6	87.2	58.2	15.2	10.2
California	2,907.4	1,563.8	53.8	1,032.9	35.6	310.7	10.7
Colorado	272.1	159.6	58.7	84.9	31.2	27.6	10.1
Connecticut	421.0	231.1	54.9	160.1	38.0	29.8	7.1
Delaware	42.6	14.1	33.1	14.0	32.9	14.5	34.0
District of Columbia	130.0	52.8	40.6	51.0	39.2	26.2	20.2
Florida	521.7	236.2	45.3	285.5	54.7	-	-
Georgia	427.5	136.2	31.9	243.5	57.0	47.8	11.2
Hawaii	-	-	-	-	-	-	-
Idaho	85.6	50.4	58.9	21.0	24.5	14.2	16.6
Illinois	1,460.1	895.7	61.3	564.4	38.7	-	-
Indiana	579.5	350.7	60.5	228.8	39.5	-	-
Iowa	430.4	239.2	55.6	158.7	36.9	32.5	7.6
Kansas	335.0	213.8	63.8	103.3	30.8	17.9	5.3
Kentucky	279.3	118.0	42.2	98.5	35.3	62.8	22.5
Louisiana	353.5	108.5	30.7	215.7	61.0	29.3	8.3
Maine	123.1	70.3	57.1	52.8	42.9	-	-
Maryland	404.1	196.1	48.5	137.2	34.0	70.8	17.5
Massachusetts	876.3	590.6	67.4	144.0	16.4	141.7	16.2
Michigan	1.168.5	644.1	55.1	524.4	44.9	-	-
Minnesota	505.1	310.6	61.5	108.3	21.4	86.2	17.1
Mississippi	198.2	64.4	32.5	113.9	57.5	19.9	10.0
Missouri	451.8	245.7	54.4	168.5	37.3	37.6	8.3
Montana	108.7	73.5	67.6	25.3	23.3	9.9	9.1

TABLE 4.2 (Con't.)

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1957
(Amounts in Millions of Dollars)

STATE (1)	TOTAL (2)	PROPERTY Amount (3)	PROPERTY % (4)	SALES & GROSS RECEIPTS Amount (5)	SALES & GROSS RECEIPTS % (6)	INDIVIDUAL INCOME Amount (7)	INDIVIDUAL INCOME % (8)
Nebraska	181.1	140.8	77.7	40.3	22.3	-	-
Nevada	48.4	21.7	44.8	26.7	55.2	-	-
New Hampshire	74.0	54.7	73.9	17.8	24.1	1.5	2.0
New Jersey	797.3	634.3	79.6	163.0	20.4	-	-
New Mexico	99.1	30.0	30.3	63.9	64.5	5.2	5.2
New York	2936.5	1775.4	60.5	433.5	14.8	727.6	24.8
North Carolina	441.5	134.8	30.5	208.2	47.2	98.5	22.3
North Dakota	93.7	56.9	60.7	32.2	34.4	4.6	4.9
Ohio	1190.7	673.9	56.6	516.8	43.4	-	-
Oklahoma	263.3	105.2	40.0	135.1	51.3	23.0	8.7
Oregon	302.2	148.3	49.1	40.9	13.5	113.0	37.4
Pennsylvania	1262.5	592.9	47.0	505.5	40.0	164.1	13.0
Rhode Island	118.0	65.6	55.6	44.5	37.7	7.9	6.7
South Carolina	222.8	56.6	25.4	132.4	59.4	33.8	15.2
South Dakota	97.9	65.6	67.0	32.1	32.8	0.2	0.2
Tennessee	336.8	116.8	34.7	195.9	58.2	24.1	7.2
Texas	887.1	581.1	65.5	306.0	34.5	-	-
Utah	122.5	59.9	48.9	44.3	36.2	18.3	14.9
Vermont	54.2	29.2	53.9	13.6	25.1	11.4	21.0
Virginia	405.1	152.7	37.7	118.9	29.4	133.5	33.0
Washington	447.2	152.2	34.0	295.0	66.0	-	-
West Virginia	190.3	55.9	29.4	134.4	70.6	-	-
Wisconsin	642.3	366.9	57.1	109.5	17.0	165.9	25.8
Wyoming	51.1	31.2	61.1	19.9	38.9	-	-
United States	23925.5	12864.9	53.8	8486.8	35.5	2573.8	10.8

Source: State & Local Finances in 1942 and 1957, U.S. Dept. of Commerce; Bureau of the Census PP 21-30.

TABLE 4

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1967
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME	
		Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	519.9	120.8	23.2	338.7	65.4	60.4	11.6
Alaska	62.2	23.3	37.5	16.2	26.0	22.7	36.5
Arizona	447.2	234.3	52.4	186.4	41.7	26.5	5.9
Arkansas	317.5	100.8	31.7	185.5	58.4	31.2	9.8
California	6,579.4	4,129.9	62.8	1,950.0	29.6	499.5	7.6
Colorado	581.6	318.8	54.8	184.4	31.7	78.4	13.5
Connecticut	800.7	500.3	62.5	300.4	37.5	-	-
Delaware	122.8	35.3	28.7	33.2	27.0	54.3	44.2
District of Columbia	253.6	93.0	36.7	96.4	38.0	64.2	25.3
Florida	1,336.4	678.4	50.8	658.0	49.2	-	-
Georgia	870.1	310.3	35.7	459.2	52.8	100.6	11.6
Hawaii	265.9	61.2	23.0	141.2	53.1	63.5	23.9
Idaho	171.0	75.4	44.1	64.4	37.7	31.2	18.2
Illinois	2,809.7	1,585.3	56.4	1,224.4	43.6	-	-
Indiana	1,444.9	782.0	54.1	504.4	34.9	158.5	11.0
Iowa	799.1	448.3	56.1	244.7	30.6	106.1	13.3
Kansas	635.1	358.9	56.5	205.2	32.3	71.0	11.2
Kentucky	584.3	182.6	31.3	282.2	48.3	119.5	20.5
Louisiana	555.5	192.3	34.6	327.4	58.9	35.8	6.4
Maine	232.5	126.8	54.5	105.7	45.5	-	-
Maryland	1,057.8	504.1	47.7	337.7	31.9	216.0	20.4
Massachusetts	1,707.8	1,033.0	60.5	406.7	23.8	268.1	15.7
Michigan	2,363.0	1,242.8	52.6	1,059.6	44.8	60.6	2.6
Minnesota	1,086.5	644.9	59.4	193.7	17.8	247.9	22.8
Mississippi	377.8	127.7	33.8	239.7	63.4	10.4	2.8
Missouri	1,023.9	480.6	46.9	408.3	39.9	135.0	13.2
Montana	179.1	117.2	65.4	37.7	21.0	24.2	13.5

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TABLE 4.3

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1967 (Con't.)
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME	
		Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Nebraska	357.2	280.8	78.6	76.4	21.4	-	-
Nevada	135.5	67.4	49.7	68.1	50.3	-	-
New Hampshire	153.8	110.2	71.7	40.9	26.6	2.7	1.8
New Jersey	1,832.5	1,256.3	68.6	565.4	30.9	10.8	0.6
New Mexico	195.8	65.0	33.2	119.2	60.9	11.6	5.9
New York	6,647.5	3,290.5	49.5	1,500.6	22.6	1,856.4	27.9
North Carolina	922.4	294.8	32.0	439.0	47.6	188.6	20.4
North Dakota	145.3	84.0	57.8	50.2	34.5	11.1	7.6
Ohio	2,335.0	1,344.8	57.6	871.2	37.3	119.0	5.1
Oklahoma	475.5	220.0	46.3	223.1	46.9	32.4	6.8
Oregon	527.3	296.9	56.3	77.1	14.6	153.3	29.1
Pennsylvania	2,545.2	1,124.0	44.2	1,192.7	46.9	228.5	9.0
Rhode Island	225.5	121.4	53.8	104.1	46.2	-	-
South Carolina	429.4	109.9	25.6	256.8	59.8	62.7	14.6
South Dakota	171.9	104.1	60.6	67.8	39.4	-	-
Tennessee	621.4	245.1	39.4	367.3	59.1	9.0	1.4
Texas	1,959.9	1,140.3	58.2	819.6	41.8	-	-
Utah	252.5	117.9	46.7	94.7	37.5	39.9	15.8
Vermont	106.5	48.5	45.5	32.9	30.9	25.1	23.6
Virginia	826.4	336.6	40.7	297.1	36.0	192.7	23.3
Washington	974.5	340.1	34.9	634.4	65.1	-	-
West Virginia	352.8	106.9	30.3	218.8	62.0	27.1	7.7
Wisconsin	1,272.6	600.1	47.2	303.3	23.8	369.2	29.0
Wyoming	100.8	65.1	64.6	35.7	35.4	-	-
All States	50,752.5	26,279.0	51.8	18,647.8	36.7	5,825.7	11.5

SOURCES: 1, 3: Governmental Finances in 1966-67, Table 17. General Revenue of State and Local Governments by Source, by Level of Government: 1966-67 pp. 31-33; 4: State Tax Collections in 1967, Table 3. State Tax Revenue: by Type of Tax: 1967 p. 7; 5: Government Finances Number 5, Compendium of Government Finances, Volume 4, Table 46. Finances of State and Local Governments, by Level of Government, for States: 1966-67 pp. 76-126; 2, 6: Computed.

TABLE 4.4

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1975
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME	
		Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	1,300.6	191.3	14.7	844.0	64.9	265.3	20.4
Alaska	247.1	75.8	30.7	67.0	27.1	104.3	42.2
Arizona	1,282.8	518.9	40.5	556.8	43.4	207.1	16.1
Arkansas	774.6	189.6	24.5	404.3	52.2	180.7	23.3
California	17,185.8	7,908.9	46.0	5,567.7	32.4	3,709.2	21.6
Colorado	1,477.4	542.2	36.7	596.6	40.4	338.6	22.9
Connecticut	2,027.7	1,088.3	53.7	785.5	38.7	153.9	7.6
Delaware	311.5	74.0	23.8	73.9	23.7	163.6	52.5
District of Columbia	425.6	140.9	33.1	113.5	26.7	171.2	40.2
Florida	3,657.7	1,358.8	37.1	2,118.6	57.9	180.3	4.9
Georgia	2,321.4	799.8	34.5	1,028.3	44.3	493.3	21.3
Hawaii	694.8	130.1	18.7	364.5	52.5	200.2	28.8
Idaho	388.8	131.4	33.8	138.0	35.5	119.4	30.7
Illinois	7,405.7	3,131.4	42.3	2,830.5	38.2	1,443.8	19.5
Indiana	2,930.4	1,229.4	42.0	1,201.9	41.0	499.1	17.0
Iowa	1,661.0	754.4	45.4	484.1	29.1	422.5	25.4
Kansas	1,257.8	573.6	45.6	428.3	34.1	255.9	20.3
Kentucky	1,465.1	322.2	22.0	696.4	47.5	446.5	30.5
Louisiana	1,443.7	322.8	22.4	933.3	64.6	187.6	13.0
Maine	561.2	244.6	43.6	251.8	44.9	64.8	11.5
Maryland	2,745.9	871.4	31.7	796.2	29.0	78.3	39.3
Massachusetts	4,560.8	2,508.9	55.0	797.8	17.5	1,254.1	27.5
Michigan	5,767.6	2,670.9	46.3	1,880.8	32.6	1,215.9	21.1
Minnesota	2,710.3	907.6	33.5	799.7	29.5	1,003.0	37.0
Mississippi	943.8	228.1	24.2	589.3	62.4	126.4	13.4
Missouri	2,186.7	875.8	40.1	868.9	39.7	442.0	20.2
Montana	407.5	227.2	55.8	69.6	17.1	110.7	27.2

TABLE 4.4

SELECTED STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL SELECTED TAXES IN 1975 (Con't)
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME	
		Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Nebraska	829.1	434.1	52.4	290.7	35.1	104.3	12.6
Nevada	370.7	150.0	40.5	220.7	59.5	-	-
New Hampshire	390.9	257.7	65.9	98.3	25.1	34.9	8.9
New Jersey	4,686.4	3,018.5	64.4	1,419.2	30.3	248.7	5.3
New Mexico	503.0	109.5	21.8	318.6	63.3	74.9	14.9
New York	17,229.6	6,681.2	38.8	5,101.4	29.6	5,447.0	31.6
North Carolina	2,443.0	641.6	26.3	1,085.0	44.4	716.4	29.3
North Dakota	347.5	121.7	35.0	141.3	40.7	84.5	24.3
Ohio	5,220.0	2,175.6	41.7	1,822.7	34.9	1,221.7	23.4
Oklahoma	1,017.9	317.3	31.2	495.3	48.7	205.3	20.2
Oregon	1,289.7	633.8	49.1	138.2	10.7	517.7	40.1
Pennsylvania	6,370.2	1,931.1	30.3	2,410.7	37.8	2,028.4	31.8
Rhode Island	567.2	250.3	44.1	200.6	35.4	116.3	20.5
South Carolina	1,179.7	283.5	24.0	602.6	51.1	293.6	24.9
South Dakota	338.4	182.1	53.8	154.4	45.6	1.9	0.6
Tennessee	1,597.2	489.1	30.6	962.9	60.3	145.2	9.1
Texas	5,017.2	2,343.1	46.7	2,674.1	53.3	-	-
Utah	569.7	183.1	32.1	263.7	46.3	122.9	21.6
Vermont	302.5	141.0	46.6	96.4	31.9	65.1	21.5
Virginia	2,399.8	782.1	32.6	953.5	39.7	664.2	27.7
Washington	2,115.7	814.7	38.5	1,301.0	61.5	-	-
West Virginia	865.6	181.8	21.0	545.4	63.0	138.4	16.0
Wisconsin	3,127.1	1,248.9	39.9	851.1	27.2	1,027.1	32.8
Wyoming	207.8	105.9	51.0	101.9	49.0	-	-
All States	127,129.2	51,496.0	40.5	47,537.0	37.4	28,096.2	22.1

Sources: Governmental Finances in 1974-75. Series GF-75, Table 17, General Revenue of State and Local Governments by Source. By Level of Government: 1974-75, pp. 46-48. Government Finances in 1976, Table 10. State Tax collections in detail, for States: 1970 and 1975, PP-14-35. 2 and 8 corrected.

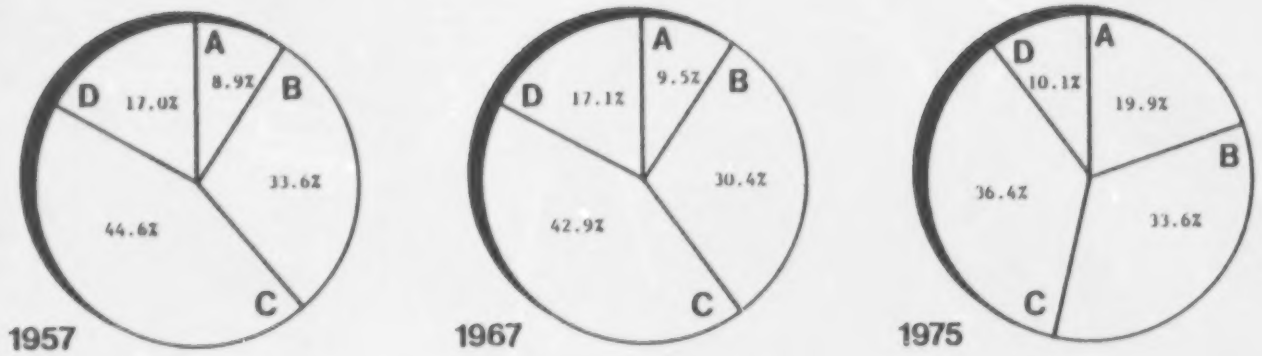

Figure 4.1. United States Individual Income (A), Sales and Gross Receipts (B), Property (C), and Other Taxes (D) as a Percent of Total State-Local Revenues in 1957, 1967, and 1975.

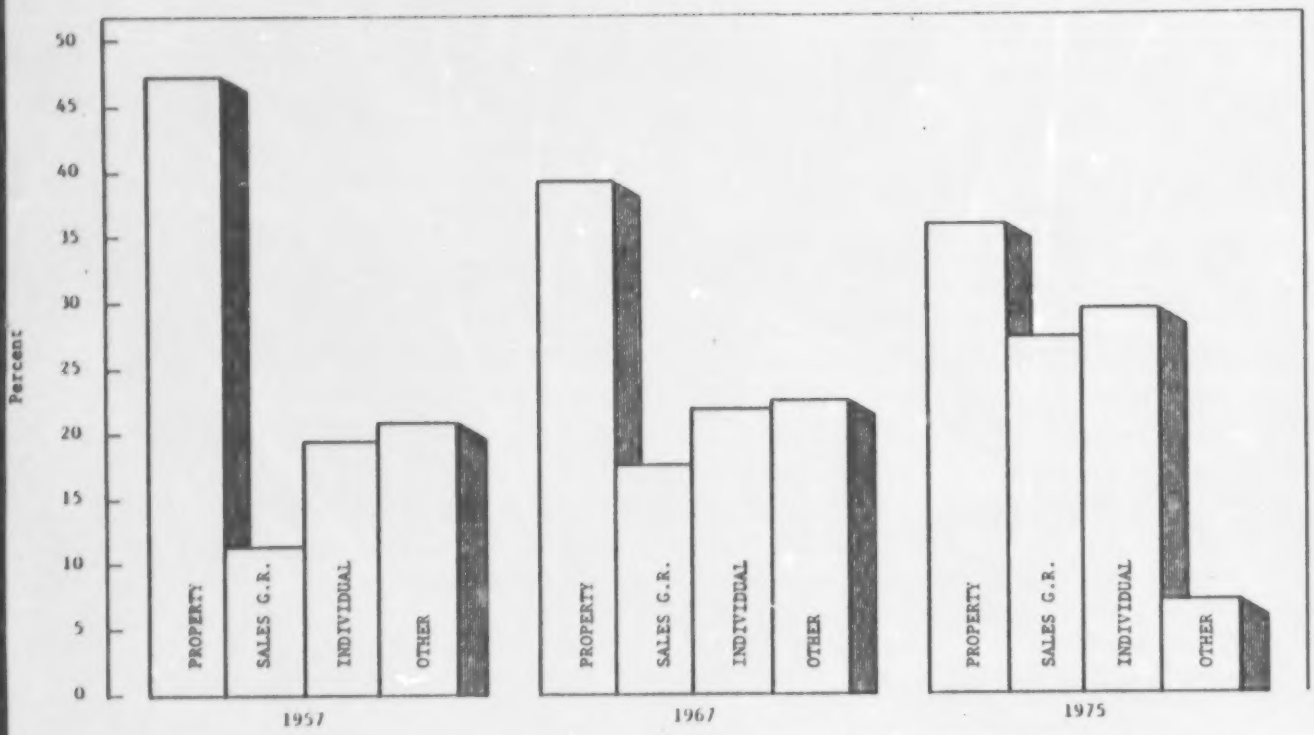

Figure 4.2. N. Y. S. Property Sales and Gross Receipts, Individual Income Taxes, and Other Taxes as a Percent of Total Local-State Revenues in 1957, 1967, 1975.

same years.

U. S. state-local Individual Income taxes actually increased from $2,573.8 million in 1957 to $28,096.2 million in 1975 reflecting an increase of approximately 1092 percent and a compound annual growth rate of 14.2 percent. This rate of growth is significantly larger than the 8.1 percent growth rate for U.S. state-local property taxes over this same period. (Table 3.1)

New York collected $727.6 million in individual income taxes in 1957 and increased this amount to $5,447 million in 1975, reflecting a compound annual growth rate of 749 percent. This growth rate is also radically different than the 8.1 growth rate for New York State property taxes for this same period.

New York ranks eighth in 1975 among the states in terms of income taxes as a percent of total state-local taxes.

Index of Tax Burden for
Individual Income Taxes

Table 4.6 presents an Index of Tax Burden for Individual Income Taxes by States. New York State ranks first, extracting 4.58 percent of total New York State personal income for individual income taxes. Although New York ranks eighth in terms of the importance it places on individual income taxes in its overall state-local tax structure, (Table 4.1) New York clearly burdens its taxpayers personal income the heaviest. New York places more than twice the burden of the United States average, nine times the burden New Jersey places on its taxpayers, and nearly seven times the burden Connecticut's individual income tax places on its residents.

INDEXES OF TAX BURDEN FOR INDIVIDUAL INCOME TAXES BY STATE, 1975 (Con't)
(UNITED STATES = 1.00)
Millions of Dollars

(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL INDIVIDUAL INCOME TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN % OF INCOME (5)	INDEX OF TAX BURDEN (6)
1	New York	$5,447.0	$118,958	4.58	2.05
2	Minnesota	1,003,0	22,793	4.40	1.97
3	Deleware	163.6	3,908	4.19	1.88
4	Wisconsin	1,027.1	26,109	3.93	1.76
5	Oregon	517.7	13,201	3.92	1.76
6	Hawaii	200.2	5,674	3.53	1.76
7	Massachusetts	1,254.1	35,568	3.53	1.58
8	Alaska	104.3	3,324	3.14	1.41
9	District of Columbia	171.2	5,544	3.09	1.38
10	Pennsylvania	2,028.4	70,206	2.89	1.30
11	Idaho	119.4	4,234	2.82	1.26
12	Vermont	65.1	2,336	2.79	1.25
13	Montana	110.7	4,054	2.73	1.22
14	Kentucky	446.5	16,541	2.70	1.21
15	North Carolina	716.4	26,995	2.65	1.19
16	California	3,709.2	139,337	2.66	1.19
17	Iowa	422.5	17,440	2.42	1.09
18	North Dakota	84.5	3,652	2.31	1.04
19	Virginia	664.2	28,732	2.31	1.04
20	South Carolina	293.6	13,014	2.26	1.01
21	Colorado	338.6	15,168	2.23	1.00
22	Michigan	1,215.9	56,526	2.15	.96
23	Rhode Island	116.3	5,413	2.15	.96
24	Utah	122.9	5,937	2.07	.93
25	Georgia	493.5	25,052	1.97	.88
26	Ohio	1,221.7	62,514	1.95	.88
27	Illinois	1,443.8	75,666	1.91	.85
28	Kansas	255.9	13,655	1.87	.84

TABLE 4.5

INDEXES OF TAX BURDEN FOR INDIVIDUAL INCOME TAXES BY STATE, 1975 (Con't.)
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL INDIVIDUAL INCOME TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN % OF INCOME (5)	INDEX OF TAX BURDEN (6)
29	Arkansas	180.7	9,775	1.85	.83
30	Arizona	207.1	11,908	1.74	.78
31	Missouri	442.0	26,244	1.68	.76
32	Indiana	499.1	30,023	1.66	.75
33	Alabama	265.3	16,779	1.58	.71
34	West Virginia	138.4	8,867	1.56	.70
35	Oklahoma	205.3	14,237	1.44	.65
36	New Mexico	74.9	5,476	1.37	.61
37	Mississippi	126.4	9,504	1.33	.60
38	Maine	64.8	5,071	1.28	.57
39	Nebraska	104.3	9,384	1.11	.50
40	Louisiana	187.6	18,591	1.01	.45
41	New Hampshire	34.9	4,346	.80	.36
42	Connecticut	153.9	21,584	.71	.32
43	Tennessee	145.2	20,501	.71	.32
44	New Jersey	248.7	49,181	.51	.23
45	Florida	180.3	47,055	.38	.17
46	Maryland	78.3	26,533	.30	.13
47	South Dakota	1.9	3,365	.06	.03
48	Nevada	-	3,935	-	-
49	Texas	-	68,908	-	-
50	Washington	-	22,158	-	-
51	Wyoming	-	2,294	-	-
	All States	28,093.3	1,257,354	2.23	1.00

CHAPTER 5

SALES AND GROSS RECEIPTS TAXES

Chapter 5 details the relative shares of state-local tax burdens that are borne by sales and gross receipts taxes among the states. The Chapter addresses some of the variations that exist among the states, and assesses the relative burden this tax places upon the citizens of the states. Special emphasis is placed upon the New York State situation.

United States and New York State Sales and Gross Receipts Taxes

The last decade has also witnessed the incorporation of sales and gross receipts taxes into the tax structures of many states. Now 45 states have some type of sales tax, not to mention the literally hundreds of localities which levy some kind of sales tax.

Table 5.1 shows sales and gross receipts taxes as a percent of total state-local taxes in 1957, 1967, and 1975. In the period 1957 to 1967, the United States average remained fairly constant at approximately 30 percent.

New York increased its dependence on the sales and gross receipts tax base as a contributor of state-local tax revenue from 11.6 percent in 1957 to 17.9 percent in 1967, an increase of 6.3 percent. Although New York shifted its dependence somewhat to sales and gross receipts, New York ranked forty-ninth in both years. Most other states considered this tax as a more important source of state-local revenue, at this time, the United

TABLE 5.1

SALES TAXES, PERCENT OF TOTAL STATE AND LOCAL TAXES, BY STATES, 1957, 1967, AND 1975
(Arrayed in Order of 1975 Rankings)

State (1)	1957 Percent Sales Taxes of State-Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Sales Taxes of State-Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Sales Taxes of State-Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised by Sales Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised by Sales Taxes 1967-1975 (13)
West Virginia	61.0	2.08	1	54.4	1.79	2		1	56.8	1.69	1	1		- 6.6	+ 2.4
Alabama	51.9	1.77	4	49.8	1.64	5		1	56.3	1.68	2	3		- 2.1	+ 6.5
Mississippi	48.6	1.66	8	51.9	1.71	3	5		56.3	1.68	3			+ 3.3	+ 4.4
Washington	57.4	1.96	2	57.8	1.90	1	1		54.3	1.62	4		3	+ 0.4	- 3.5
Tennessee	48.5	1.66	9	44.6	1.47	9			51.0	1.52	5	4		- 3.9	+ 6.4
New Mexico	49.9	1.70	6	43.1	1.42	10		4	50.7	1.51	6	4		- 6.8	+ 7.6
Hawaii				47.0	1.55	7			49.4	1.47	7				+ 2.4
Florida	42.8	1.46	12	40.0	1.32	14		2	48.6	1.45	8	6		- 2.8	+ 8.6
Nevada	44.3	1.51	10	40.2	1.32	13		3	48.4	1.44	9	4		- 4.1	+ 8.2
South Carolina	53.9	1.84	3	50.1	1.65	4		1	48.0	1.43	10		6	- 3.8	- 2.1
Arkansas	48.8	1.67	7	47.4	1.56	6	1		47.1	1.40	11		5	- 1.4	- 0.3
Louisiana	43.3	1.48	11	34.3	1.13	24		13	43.5	1.29	12	12		- 9.0	+ 9.2
Utah	32.4	1.11	26	32.2	1.06	29		2	43.2	1.29	13	16		- 0.2	+11.0
Texas	24.3	0.83	36	32.9	1.08	27	9		42.4	1.26	14	13		+ 8.6	+ 9.5
Maine	37.5	1.28	16	41.1	1.35	12	4		41.6	1.24	15		3	+ 3.6	+ 0.5
South Dakota	28.5	0.97	32	35.0	1.15	22	10		41.6	1.24	16	6		+ 6.5	+ 6.6
Kentucky	30.3	1.03	29	41.5	1.37	11	18		41.3	1.23	17		6	+11.2	- 0.2
Georgia	51.8	1.77	5	45.3	1.49	8		3	41.1	1.22	18		10	- 6.5	- 4.2
North Carolina	41.4	1.41	13	39.0	1.28	16		3	41.0	1.22	19		3	- 2.4	+ 2.0
Wyoming	32.8	1.11	23	30.9	1.02	31		8	39.1	1.16	20	11		- 1.9	+ 8.2

TABLE 5.1(Con't.)

State (1)	1957 Percent Sales Taxes of State-Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Sales Taxes of State-Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Sales Taxes of State-Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Sales Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Sales Taxes 1967-1975 (13)
Indiana	35.8	1.22	19	32.7	1.08	28		9	39.0	1.16	21	7		- 3.1	+ 6.3
Arizona	36.3	1.24	18	35.8	1.18	20		2	38.0	1.13	22		2	- 0.5	+ 2.2
Oklahoma	39.0	1.33	14	34.6	1.14	23		9	37.9	1.13	23			- 4.4	+ 3.3
Colorado	27.0	0.92	35	26.9	0.88	38		3	37.3	1.11	24	14		- 0.1	+10.4
Connecticut	34.7	1.18	21	30.9	1.02	32		11	36.4	1.08	25	7		- 3.8	+ 5.5
North Dakota	29.9	1.02	30	29.5	0.97	33		3	36.3	1.08	26	7		- 0.4	+ 6.8
Missouri	30.4	1.04	28	34.1	1.12	25	3		34.9	1.04	27		2	+ 3.7	+ 0.8
Illinois	32.6	1.11	24	37.7	1.24	18	6		34.8	1.04	28		10	+ 5.1	- 2.9
Virginia	24.2	0.83	38	27.4	0.90	36	2		34.1	1.01	29	7		+ 3.2	+ 6.7
Rhode Island	34.2	1.17	22	39.0	1.28	15	7		33.6	1.00	30		15	+ 4.8	- 5.4
Nebraska	20.0	0.68	43	19.6	0.64	45		2	32.6	0.97	31	14		- 0.4	+13.0
Pennsylvania	28.4	0.96	33	36.6	1.20	19	14		32.0	0.95	32		13	+ 8.2	- 4.6
Idaho	20.9	0.71	40	31.3	1.03	30	10		31.9	0.95	33		3	+10.4	+ 0.6
Ohio	36.8	1.26	17	33.4	1.10	26		9	31.7	0.94	34		8	- 3.4	- 1.7
Kansas	28.0	0.96	34	28.7	0.94	34			31.6	0.94	35		1	+ 0.7	+ 2.9
California	31.2	1.06	27	24.6	0.81	41		14	30.3	0.90	36	5		- 6.6	+ 5.7
Michigan	37.6	1.28	15	38.3	1.26	17		2	30.1	0.90	37		20	+ 0.7	- 8.2
New York	11.6	0.39	49	17.9	0.59	49			27.5	0.82	38	11		+ 6.3	+ 9.6
Vermont	21.0	0.72	39	25.7	0.85	39			29.3	0.87	39			+ 4.1	+ 3.6
Minnesota	18.0	0.61	44	15.1	0.50	50		6	27.0	0.80	40	10		+ 2.9	+11.9
Maryland	29.7	1.01	31	28.2	0.93	35		4	26.7	0.79	41		6	- 1.5	- 1.5
New Jersey	16.5	0.56	45	25.6	0.84	40	5		26.7	0.70	42		2	+ 9.1	+ 1.1
Iowa	32.4	1.11	25	27.1	0.89	37		12	26.5	0.79	43		6	- 5.3	- 0.6
Wisconsin	15.4	0.53	46	20.4	0.67	43	3		25.7	0.76	44		1	+ 5.0	+ 5.3
New Hampshire	20.4	0.70	41	23.2	0.76	42		1	22.9	0.68	45		3	+ 2.8	- 0.3

TABLE 5.1 (Con't)

State (1)	1957 Percent Sales Taxes of State-Local Taxes (2)	1957 Index of U.S. Average (3)	1957 Rank (4)	1967 Percent Sales Taxes of State-Local Taxes (5)	1967 Index of U.S. Average (6)	1967 Rank (7)	Change In Rank Up (8)	Change In Rank Down (8)	1975 Percent Sales Taxes of State-Local Taxes (9)	1975 Index of U.S. Average (10)	1975 Rank (11)	Change In Rank Up (12)	Change In Rank Down (12)	Increase or Decrease In Percent Raised By Sales Taxes 1957-1967 (13)	Increase or Decrease In Percent Raised By Sales Taxes 1967-1975 (13)
Alaska				19.1	0.63	46			22.6	0.67	46				+ 3.5
District of Columbia	35.6	1.22	20	35.)	1.15	21		1	20.9	0.62	47		26	- 0.5	+14.2
Delaware	24.2	0.83	37	18.7	0.62	47		10	17.5	0.52	48		1	- 5.5	- 1.2
Massachusetts	14.1	0.48	47	20.4	0.67	44	3		16.8	0.50	49		5	+ 6.3	- 3.6
Montana	20.1	0.69	42	18.0	0.59	48		6	15.2	0.45	50		2	- 2.1	- 2.8
Oregon	11.7	0.40	48	12.3	0.40	51		3	9.5	0.28	51			+ 0.6	- 2.8
All States	29.3	1.00		30.4	1.00				33.6	1.00					

Source:

Note: Local government amounts are estimates subject to sampling variation. Duplicative transactions between levels of government are excluded. Indexes and percentages were originally calculated to four decimal places and ranked accordingly. Therefore, apparent ties are due to rounding of data.

States average being approximately thirty percent.

West Virginia ranked first on this measure in 1957, collecting 61 percent of its revenue from sales and gross receipts taxes. The state of Washington ranked first in 1967, deriving 58 percent of its revenue from sales and gross receipts taxes. The lowest ranked states collected only 11 percent of their revenues from these taxes.

A great deal of variation of reaction took place among the states. The portion of total burden that was shifted from other taxes to sales and gross receipts taxes varied from a decrease of 9.0 percent in Louisiana to an increase of 11.2 percent in Kentucky, with an average increase of nearly one percent for all the states.

The pattern of shifting to use of sales and gross receipts taxes was slightly more noticeable in the period from 1967 to 1975. Nearly all of the states increased their dependence on sales and gross receipts taxes. New York again increased the percent raised by sales and gross receipts taxes by another 9.6 percent, whereas 27.5 percent of all state-local taxes were raised by sales and gross receipts taxes in 1975. New York now ranks thirty-eighth in order of dependence on sales and gross receipts taxes as a percent of total state-local taxes.

During this period the shift of the tax paying burden from other taxes to sales and gross receipts taxes varied among the states, from a decrease of 8.2 percent in Michigan to an increase of 14.2 percent in the District of Columbia, with an average increase of 3.2 percent for all the states. Second only

to the shift towards the individual income tax base during this period, this shift is the result of the states lessening their dependence on the property tax base.

This, of course, represents a large increase in the amounts collected from sales and gross receipts taxes. Tables 4.2, 4.3, and 4.4 portray individual income, sales and gross receipts taxes, and property taxes for 1957, 1967, and 1975.

United States sales and gross receipts taxes increased from $8,486.8 million in 1957 to $47,537 million in 1975, reflecting an increase of 560 percent and a compound annual growth rate of 10.0 percent. This rate of growth is significantly larger than the 8.1 percent growth rate for U.S. state-local property taxes over this same period.

New York collected $433.5 million in sales and gross receipts taxes in 1957 and increased this amount to $5,101.4 million in 1975, reflecting a compound annual growth rate of 14.7 percent, much larger than the 8.1 percent growth rate for New York State property tax revenue for this same period.

New York ranked thirty-eighth in 1975 among the states in terms of sales and gross receipts taxes as a percent of total state-local taxes.

Indexes of Tax Burden-
Sales and Gross Receipts Taxes

Table 5.2 presents an Index of Tax Burden for Sales and Gross Receipts Taxes by States. New York State ranks seventeenth, extracting 4.29 percent of total New York State personal income for sales and gross receipts taxes. Although New York ranks thirty-eighth in terms of the importance it places on individual

TABLE 5.2

INDEXES OF TAX BURDEN FOR SALES AND GROSS RECEIPTS TAXES, BY STATES, 1975
(UNITED STATES - 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL SALES TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN PERCENT OF INCOME (5)	INDEX OF TAX BURDEN (6)
1	Hawaii	$ 364.5	$ 5,674	6.42	1.70
2	Mississippi	598.3	9,504	6.20	1.64
3	West Virginia	545.4	8,867	6.15	1.63
4	Washington	1,301.0	22,158	5.87	1.55
5	New Mexico	1,318.6	5,476	5.82	1.54
6	Nevada	220.7	3,935	5.61	1.48
7	Alabama	844.0	16,779	5.03	1.33
8	Louisiana	933.3	18,591	5.02	1.33
9	Maine	251.8	5,071	4.97	1.31
10	Arizona	556.8	11,908	4.68	1.24
11	Tennessee	962.9	20,501	4.70	1.24
12	South Carolina	602.6	13,014	4.63	1.22
13	South Dakota	154.4	3,365	4.59	1.21
14	Florida	2,118.6	47,055	4.50	1.19
15	Utah	263.7	5,937	4.44	1.18
16	Wyoming	101.9	2,294	4.44	1.18
17	New York	5,101.4	118,958	4.29	1.13
18	Kentucky	696.4	16,541	4.21	1.11
19	Arkansas	404.3	9,775	4.14	1.09
20	Georgia	1,028.3	25,052	4.10	1.09
21	Vermont	96.4	2,336	4.13	1.09
22	California	5,567.7	139,337	4.00	1.06
23	Indiana	1,201.9	30,023	4.00	1.06
24	North Carolina	1,085.0	26,995	4.02	1.06
25	Colorado	596.6	15,168	4.00	1.04
26	Texas	2,674.1	68,908	3.88	1.03
27	North Dakota	141.3	3,652	3.87	1.02
28	Illinois	2,830.5	75,666	3.74	.99

TABLE 5.2

INDEXES OF TAX BURDEN FOR SALES AND GROSS RECEIPTS TAXES, BY STATES, 1975 (Con't.)
(UNITED STATES = 1.00)
(Arrayed in Order of Rankings)

RANK (1)	STATE NAME (2)	TOTAL SALES TAXES (3)	TOTAL PERSONAL INCOME (4)	TAX BURDEN PERCENT OF INCOME (5)	INDEX OF TAX BURDEN (6)
29	Rhode Island	200.6	5,413	3.71	.98
30	Connecticut	785.5	21,584	3.64	.96
31	Kansas	482.3	13,655	3.53	.93
32	Minnesota	799.7	22,793	3.51	.93
33	Oklahoma	495.3	14,237	3.48	.92
34	Pennsylvania	2,410.7	70,206	3.43	.91
35	Michigan	1,880.8	56,526	3.33	.88
36	Missouri	868.9	26,244	3.31	.88
37	Virginia	953.5	28,732	3.32	.88
38	Wisconsin	851.1	26,109	3.26	.86
39	Idaho	138.0	4,234	3.26	.86
40	Nebraska	290.0	9,384	3.10	.82
41	Maryland	796.2	26,533	3.00	.79
42	Ohio	1,822.7	62,514	2.92	.77
43	Iowa	484.1	17,440	2.78	.73
44	New Hampshire	98.3	4,346	2.26	.60
45	Massachusetts	797.8	35,568	2.24	.59
46	District of Columbia	113.5	5,544	2.05	.54
47	Alaska	67.0	3,324	2.02	.53
48	Delaware	73.9	3,908	1.89	.50
49	Montana	69.6	4,054	1.72	.45
50	Oregon	138.2	13,201	1.05	.28
51	New Jersey	419.2	49,181	.85	.23
	All States	47,537	1,257,354	3.78	1.00

income taxes in its overall state-local tax structure (Table 5.1), New York burdens its tax payers above the average for the United States, placing over twice the burden on its taxpayers than Massachusetts or New Hampshire citizens, and almost five times a burden on its tax payers as New Jersey does on its citizens.

CHAPTER 6

CONCLUSIONS

For the last two decades New York has had to share the difficulties of inflation and recession with the rest of the United States. Despite this turmoil New York has continued to supply its citizens with the best of public services. The result is that New York now finds itself in the unenviable position of taxing its citizens the highest in the nation.

The tax bite that New York takes from every dollar of personal income has risen at a rapid rate where in 1975 17¢ of every dollar of personal income went for state-local taxes. In 1957 New York was slightly above the United States average, extracting 9¢ for taxes as opposed to a United States average of 8¢ per dollar of personal income for taxes. Now, New York ranks as the number one taxer of its citizens in the United States. Figure 6.1 graphically pictures this situation.

Tables 6.1, 6.2, and 6.3 show total state-local taxes for these three years (1957, 1967, and 1975) for all the states. These tables give us the picture of what has occurred.

State-local taxes have grown at a faster rate in New York than in the rest of the United States. United States total state-local taxes have increased from $23,925.5 million in 1957 to $127,129.2 million in 1975, representing a 9.7 percent yearly growth rate. New York increased its total state-local taxes from $2,936.5 million in 1957 to $17,229.6 million in 1975, reflecting a 10.3 percent yearly growth rate.

Table 6.4 shows New York's rank among all the states for

Figure 6.1. Amount of Every Dollar of Personal Income Which Goes for Total State-Local Taxes in New York and the United States, 1957, 1967, and 1975.

TABLE 6.1

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1957
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama	262.2	64.7	20.2	166.0	51.9	31.5	9.8	57.8	18.1
Alaska	-	-	-	-	-	-	-	-	-
Arizona	166.5	84.9	46.4	66.5	36.3	15.1	8.2	16.6	9.1
Arkansas	149.7	47.3	26.5	87.2	48.8	15.2	8.5	28.9	16.2
California	2,907.4	1,563.8	47.2	1,032.9	31.2	310.7	9.4	403.8	12.2
Colorado	272.1	159.6	50.8	84.9	27.0	27.6	8.8	42.3	13.5
Connecticut	421.0	231.1	50.0	160.1	34.7	29.8	6.5	41.0	8.9
Delaware	42.6	14.1	24.4	14.0	24.2	14.5	25.1	15.2	26.3
District of Columbia	130.0	52.8	36.8	51.0	35.6	26.2	18.3	13.3	9.3
Florida	521.7	236.2	35.4	285.5	42.8	-	-	145.1	21.8
Georgia	427.5	136.2	29.0	243.5	51.8	47.8	10.2	42.5	9.0
Hawaii	-	-	-	-	-	-	-	-	-
Idaho	85.6	50.4	50.2	21.0	20.9	14.2	14.2	14.7	14.7
Illinois	1,460.1	895.7	51.7	564.4	32.6	-	-	271.4	15.7
Indiana	579.5	350.7	54.9	228.8	35.8	-	-	59.0	9.2
Iowa	430.4	239.2	48.9	158.7	32.4	32.5	6.6	59.2	12.1
Kansas	335.0	213.8	58.0	103.3	28.0	17.9	4.9	33.6	9.1
Kentucky	279.3	118.0	36.3	98.5	30.3	62.8	19.3	45.7	14.1
Louisiana	353.5	108.5	21.8	215.7	43.3	29.3	5.9	144.7	29.0
Maine	123.1	70.3	50.0	52.8	37.5	-	-	17.6	12.5
Maryland	404.1	196.1	42.5	137.2	29.7	70.8	15.4	57.1	12.4
Massachusetts	876.3	590.6	58.0	144.0	14.1	141.7	13.9	141.5	13.9
Michigan	1,168.5	644.1	46.1	524.4	37.6	-	-	227.8	16.3
Minnesota	505.1	310.6	51.8	108.3	18.0	86.2	14.4	95.0	15.8
Mississippi	198.2	64.4	27.5	113.9	48.6	19.9	8.5	36.1	15.4
Missouri	451.8	245.7	44.4	168.5	30.4	37.6	6.8	101.7	18.4
Montana	108.7	73.5	58.3	25.3	20.1	9.9	7.9	17.3	13.7
Nebraska	181.1	140.8	69.9	40.3	20.0	-	-	20.2	10.0
Nevada	48.4	21.7	36.0	26.7	44.3	-	-	11.9	19.7
New Hampshire	74.0	54.7	62.8	17.8	20.4	1.5	1.7	13.1	15.0

TABLE 6.1

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1957 (Con't.)
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
New Jersey	797.3	634.3	64.0	163.0	16.5	-	-	193.3	19.5
New Mexico	99.1	30.0	23.4	63.9	49.9	5.2	4.1	29.0	22.6
New York	2,936.5	1,775.4	47.7	433.5	11.6	727.6	19.5	786.9	21.1
North Carolina	441.5	134.8	26.8	208.2	41.4	98.5	19.6	61.7	12.3
North Dakota	93.7	56.9	52.8	32.2	29.9	4.6	4.3	14.1	13.1
Ohio	1,190.7	673.9	48.0	516.8	36.8	-	-	213.4	15.2
Oklahoma	263.3	105.2	30.4	135.1	39.0	23.0	6.6	83.2	24.0
Oregon	302.2	148.3	42.4	40.9	11.7	113.0	32.3	47.4	13.6
Pennsylvania	1,262.5	592.9	33.4	505.5	28.4	164.1	9.2	514.4	28.9
Rhode Island	118.0	65.6	50.4	44.5	34.2	7.9	6.1	12.1	9.3
South Carolina	222.8	56.6	23.0	132.4	53.9	33.8	13.8	22.9	9.3
South Dakota	97.9	65.6	58.2	32.1	28.5	0.2	0.2	14.9	13.2
Tennessee	336.8	116.8	28.9	195.9	48.5	24.1	0.6	67.5	16.7
Texas	887.1	581.1	46.2	306.0	24.3	-	-	371.7	29.5
Utah	122.5	59.9	43.8	44.3	32.4	18.3	13.4	14.3	10.5
Vermont	54.2	29.2	45.0	13.6	21.0	11.4	17.6	10.7	16.5
Virginia	405.1	152.7	31.1	118.9	24.2	133.5	27.2	86.5	17.6
Washington	447.2	152.2	29.6	295.0	57.4	-	-	66.7	13.0
West Virginia	190.3	55.9	25.4	134.4	61.0	-	-	29.9	13.6
Wisconsin	642.3	366.9	51.8	109.5	15.4	165.9	23.4	66.6	9.4
Wyoming	51.1	31.2	51.5	19.9	32.8	-	-	9.5	15.7
All States	23,925.5	12,864.9	44.6	8,486.8	29.5	2,573.8	8.9	4,890.8	17.0

Sources: State and Local Finances in 1942 and 1957 U. S. Department of Commerce, Bureau of the Census, Pp. 21-30.

TABLE 6.2

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1967
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama	679.9	120.8	17.8	338.7	49.8	60.4	8.9	160.0	23.5
Alaska	84.8	23.3	27.5	16.2	19.1	22.7	26.8	22.6	26.7
Arizona	520.5	234.3	45.0	186.4	35.8	26.5	5.1	73.3	14.1
Arkansas	391.2	100.8	25.8	185.5	47.4	31.2	8.0	73.7	18.8
California	7,940.0	4,129.9	52.0	1,950.0	24.6	499.5	6.3	1,360.6	17.1
Colorado	684.9	318.8	46.5	184.4	26.9	78.4	11.4	103.3	15.1
Connecticut	971.5	500.3	51.5	300.4	30.9	-	-	170.8	17.6
Delaware	177.8	35.3	19.9	33.2	18.7	54.3	30.5	55.0	30.9
District of Columbia	274.9	93.0	33.8	96.4	35.1	64.2	23.4	21.3	7.7
Florida	1,646.2	678.4	41.2	658.0	40.0	-	-	309.8	18.8
Georgia	1,013.7	310.3	30.6	459.2	45.3	100.6	9.9	143.6	14.2
Hawaii	300.6	61.2	20.4	141.2	47.0	63.5	21.1	34.7	11.5
Idaho	205.5	75.4	36.7	64.4	31.3	31.2	15.2	34.5	16.8
Illinois	3,248.8	1,585.3	48.8	1,224.4	37.7	-	-	439.1	13.5
Indiana	1,540.4	782.0	50.8	504.4	32.7	158.5	10.3	95.5	6.2
Iowa	903.1	448.3	49.6	244.7	27.1	106.1	11.7	104.0	11.5
Kansas	716.1	358.9	50.1	205.2	28.7	71.0	9.9	81.0	11.3
Kentucky	679.6	182.6	26.9	282.2	41.5	119.5	17.6	95.3	14.0
Louisiana	955.3	192.3	20.1	327.4	34.3	35.8	3.7	399.8	41.9
Maine	257.4	126.8	49.3	105.7	41.1	-	-	24.9	9.7
Maryland	1,196.2	504.1	42.1	337.7	28.2	216.0	18.1	138.4	11.6
Massachusetts	1,997.9	1,033.0	51.7	406.7	20.4	268.1	13.4	290.1	14.5
Michigan	2,770.1	1,242.8	44.9	1,059.6	38.3	60.6	2.2	407.1	14.7
Minnesota	1,278.8	644.9	50.4	193.7	15.1	247.9	19.4	192.3	15.0
Mississippi	461.9	127.7	27.6	239.7	51.9	10.4	2.3	84.1	18.2
Missouri	1,198.0	480.6	40.1	408.3	34.1	135.0	11.3	174.1	14.5
Montana	210.0	117.2	55.8	37.7	18.0	24.2	11.5	30.9	14.7
Nebraska	390.2	280.8	72.0	76.4	19.6	-	-	33.0	8.5
Nevada	169.2	67.4	39.8	68.1	40.2	-	-	33.7	19.9
New Hampshire	176.4	110.2	62.5	40.9	23.2	2.7	1.5	22.6	12.8

TABLE 6.2

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1967 (Con't.)
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
New Jersey	2,206.5	1,256.3	56.9	565.4	25.6	10.8	0.5	374.0	16.9
New Mexico	276.3	65.0	23.5	119.2	43.1	11.6	4.2	80.5	29.1
New York	8,395.1	3,290.5	39.2	1,500.6	17.9	1,856.4	22.1	1,747.6	20.8
North Carolina	1,125.5	294.8	26.2	439.0	39.0	188.6	16.8	203.1	18.0
North Dakota	170.3	84.0	49.3	50.2	29.5	11.1	6.5	25.0	14.7
Ohio	2,604.5	1,344.8	51.6	871.2	33.4	119.0	4.6	269.5	10.3
Oklahoma	644.5	220.0	34.1	223.1	34.6	32.4	5.0	169.0	26.2
Oregon	627.7	296.9	47.3	77.1	12.3	153.3	24.4	100.4	16.0
Pennsylvania	3,256.6	1,124.0	34.5	1,192.7	36.6	228.5	7.0	711.4	21.8
Rhode Island	266.8	121.4	45.5	104.1	39.0	-	-	41.3	15.5
South Carolina	512.1	109.9	21.5	256.8	50.1	62.7	12.2	82.7	16.1
South Dakota	193.8	104.1	53.7	67.8	35.0	-	-	21.9	11.3
Tennessee	824.3	245.1	29.7	367.3	44.6	9.0	1.1	202.9	24.6
Texas	2,488.3	1,140.3	45.8	819.6	32.9	-	-	528.4	21.2
Utah	294.4	117.9	40.0	94.7	32.2	39.9	13.6	41.9	14.2
Vermont	128.2	48.5	37.8	32.9	25.7	25.1	19.6	21.7	16.9
Virginia	1,084.5	336.6	31.0	297.1	27.4	192.7	17.8	258.1	23.8
Washington	1,098.5	340.1	31.0	634.4	57.8	-	-	124.0	11.3
West Virginia	402.0	106.9	26.6	218.8	54.4	27.1	6.7	49.2	12.2
Wisconsin	1,484.8	600.1	40.4	303.3	20.4	369.2	24.9	212.2	14.3
Wyoming	115.4	65.1	56.4	35.7	30.9	-	-	14.6	12.7
All States	61,241.0	26,279.0	42.9	18,647.8	30.4	5,825.7	9.5	10,488.5	17.1

Sources: Government Finances in 1966-67, Table 17, "General Revenue of State and Local Governments by Source, By Level of Government: 1966-67," pp. 31-33; State Tax Collections in 1967, Table 3 "State Tax Revenue: By Type of Tax, 1967," p. 7. Government Finances No. 5: Compendium of Government Finances, Vol. 4, Table 46. "Finances of State and Local Government, by Level of Government, for States, 1966-67," pp. 76-126.

TABLE 6.3

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1975
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	&	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama	1,499.2	191.3	12.8	844.0	56.3	265.3	17.7	198.6	13.2
Alaska	296.4	75.8	25.6	67.0	22.6	104.3	35.2	49.3	16.6
Arizona	1,463.5	518.9	35.5	556.8	38.0	207.1	14.2	180.7	12.3
Arkansas	857.5	189.6	22.1	404.3	47.1	180.7	21.1	82.9	9.7
California	18,401.6	7,908.9	43.0	5,567.7	30.3	3,709.2	20.2	1,215.8	6.6
Colorado	1,598.0	542.2	33.9	596.6	37.3	338.6	21.2	120.6	7.5
Connecticut	2,156.8	1,088.3	50.5	785.5	36.4	153.9	7.1	129.1	6.0
Delaware	421.2	74.0	17.6	73.9	17.5	163.6	38.8	109.7	26.0
District of Columbia	543.6	140.9	25.9	113.5	20.9	171.2	31.5	118.0	21.7
Florida	4,357.2	1,358.8	31.2	2,118.6	48.6	180.3	4.1	699.5	16.1
Georgia	2,502.0	799.8	32.0	1,028.3	41.1	493.3	19.7	180.6	7.2
Hawaii	737.4	130.1	17.6	364.5	49.4	200.2	27.1	42.6	5.8
Idaho	433.0	131.4	30.3	138.0	31.9	119.4	27.6	44.2	10.2
Illinois	8,138.8	3,131.4	38.5	2,830.5	34.8	1,443.8	17.7	733.1	9.0
Indiana	3,080.6	1,229.4	39.9	1,201.9	39.0	499.1	16.2	150.2	4.9
Iowa	1,829.5	754.4	41.2	484.1	26.5	422.5	23.1	168.5	9.2
Kansas	1,355.5	573.6	42.3	428.3	31.6	255.9	18.9	97.7	7.2
Kentucky	1,688.0	322.2	19.1	696.4	41.3	446.5	26.5	222.9	13.2
Louisiana	2,146.9	322.8	15.0	933.3	43.5	187.6	8.7	703.2	32.8
Maine	605.1	244.6	40.4	251.8	41.6	64.8	10.7	43.9	7.3
Maryland	2,982.6	871.4	29.2	796.2	26.7	1,078.3	36.2	236.7	7.9
Massachusetts	4,741.6	2,508.9	52.9	797.8	16.8	1,254.1	26.4	180.8	3.8
Michigan	6,242.9	2,670.9	42.8	1,880.8	30.1	1,215.9	19.5	475.3	7.6
Minnesota	2,961.4	907.6	30.6	799.7	27.0	1,003.0	33.9	251.1	8.5
Mississippi	1,046.2	228.1	21.8	589.3	56.3	126.4	12.1	102.4	9.8
Missouri	2,490.5	875.8	35.2	868.9	34.9	442.0	17.7	303.8	12.2
Montana	457.9	227.2	49.6	69.6	15.2	110.7	24.2	50.4	11.0
Nebraska	892.3	434.1	48.6	290.7	32.6	104.3	11.7	63.2	7.1
Nevada	456.0	150.0	32.9	220.7	48.4	-	-	85.3	18.7
New Hampshire	429.6	257.7	60.0	98.3	22.9	34.9	8.1	38.7	9.0

TABLE 6.3

STATE-LOCAL TAXES AND PERCENT THESE TAXES ARE OF TOTAL STATE-LOCAL TAXES IN 1975 (Con't.)
(Amounts in Millions of Dollars)

STATE	TOTAL	PROPERTY		SALES & GROSS RECEIPTS		INDIVIDUAL INCOME		OTHER TAXES	
		Amount	%	Amount	%	Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
New Jersey	5,307.6	3,018.5	56.9	1,419.2	26.7	248.7	4.7	621.2	11.7
New Mexico	628.6	109.5	17.4	318.6	50.7	74.9	11.9	125.6	20.0
New York	18,547.7	6,681.2	36.0	5,101.4	27.5	5,447.0	29.4	1,318.1	7.1
North Carolina	2,646.2	641.6	24.2	1,085.0	41.0	716.4	27.1	203.2	7.7
North Dakota	389.5	121.7	31.2	141.3	36.3	84.5	21.7	42.0	10.8
Ohio	5,743.4	2,175.6	37.9	1,822.7	31.7	1,221.7	21.3	523.4	9.1
Oklahoma	1,306.7	317.3	24.3	495.3	37.9	205.3	15.7	288.8	22.1
Oregon	1,452.7	633.8	43.6	138.2	9.5	517.7	35.6	163.0	11.2
Pennsylvania	7,527.1	1,931.1	25.7	2,410.7	32.0	2,028.4	26.9	1,156.9	15.4
Rhode Island	597.7	250.3	41.9	200.6	33.6	116.3	19.5	30.5	5.1
South Carolina	1,255.9	283.5	22.6	602.6	48.0	293.6	23.4	76.2	6.1
South Dakota	370.8	182.1	49.1	154.4	41.6	1.9	0.5	32.4	8.7
Tennessee	1,887.3	489.1	25.9	962.9	51.0	145.2	7.7	290.1	15.4
Texas	6,304.3	2,343.1	37.2	2,674.1	42.4	-	-	1,287.1	20.4
Utah	610.2	183.1	30.0	263.7	43.2	122.9	20.1	40.5	6.6
Vermont	329.4	141.0	42.8	96.4	29.3	65.1	19.8	26.9	8.2
Virginia	2,796.2	782.1	28.0	953.5	34.1	664.2	23.8	396.4	14.2
Washington	2,394.7	814.7	34.0	1,301.0	54.3	-	-	279.0	11.7
West Virginia	960.5	181.8	18.9	545.4	56.8	138.4	14.4	94.9	9.9
Wisconsin	3,313.2	1,248.9	37.7	851.1	25.7	1,027.1	31.0	186.1	5.6
Wyoming	260.6	105.9	40.6	101.9	39.1	-	-	52.8	20.3
All States	141,443.1	51,496.0	36.4	47,537.0	33.6	28,096.2	19.9	14,313.9	10.1

SOURCES: 1, 3, 5: Governmental Finances in 1974-75, Series GF-75, Table 17. General Revenue of State and Local Governments by Source. By Level of Government: 1974-75; pp. 46-48; 4: Same as above, (for local taxes) and: Governmental Finances in 1976, Table 10. State Tax Collections in Detail, for States: 1976 and 1975 (for State Level of Taxes) pp. 14-35; 2, 6: Computed.

total state-local taxes, property taxes, sales and gross receipts taxes and individual income taxes per $1,000 of personal income for 1957, 1967, and 1975. It is clear why New York now ranks first. In 1975 New York burdens its taxpayers the most in its individual income tax, sixth on property tax, and eleventh on sales and gross receipts taxes. This was not always true.

TABLE 6.4

RANK OF NEW YORK STATE
AS PER $1,000 OF PERSONAL INCOME

YEAR	TOTAL STATE-LOCAL TAXES	PROPERTY TAX	SALES-GROSS RECEIPTS TAX	IN. INCOME TAX
1957	21	16	51	4
1967	2	17	42	2
1975	1	6	11	1

In 1957, New York was just slightly above average in its total state-local tax intake. New York ranked twenty-first in total taxes per $1,000 of personal income. The United States average was $82.53 per $1,000 of personal income, whereas New York's average was slightly higher at $90.64 per $1,000 of personal income.

In 1967, New York had come to the forefront. New York now ranked second in total state-local taxes as per $1,000 of personal income, collecting $122.42 per $1,000 of personal income. Only Hawaii was above New York, which collected $123.20 per $1,000 of personal income from its residents. New York's individual income tax, always high, moved from fourth among the states

to second in rank. This tax was the obvious reason why New York moved up front.

By 1975, New York had surpassed all the other states, ranking first in tax burden per $1,000 of personal income, collecting $166.53, far surpassing all of the other states. The second most ranked state, Hawaii, collects $144.45 per $1,000 of personal income, over $12.00 less than New York on this same measure.

Tables 6.5, 6.6, and 6.7 show the tax burdens each of the states placed on their residents for each $1,000 of personal income in 1957, 1967, and 1975. New York now stands out as the state which extracts the most money over-all from its taxpayers - first in total state-local taxes, first in individual income taxes, sixth in property taxes (second in tax rates - see Table 3.7) (twelfth on index of relative tax burden - Table 3.11) and eleventh in sales and gross receipts taxes per $1,000 of personal income. Figures 6.2, 6.3 and 6.4 pciture these indexes for all the States for 1957, 1967, and 1975. Income tax plays the most important part in New York's tax structure relative to the U.S., extracting over 30 percent of its total state-local revenue from this tax. Property is second most important, responsible for approximately 36 percent of all state-local revenue. Sales and gross receipts taxes are below the United States average, being responsible for less than 30 percent of state-local revenue.

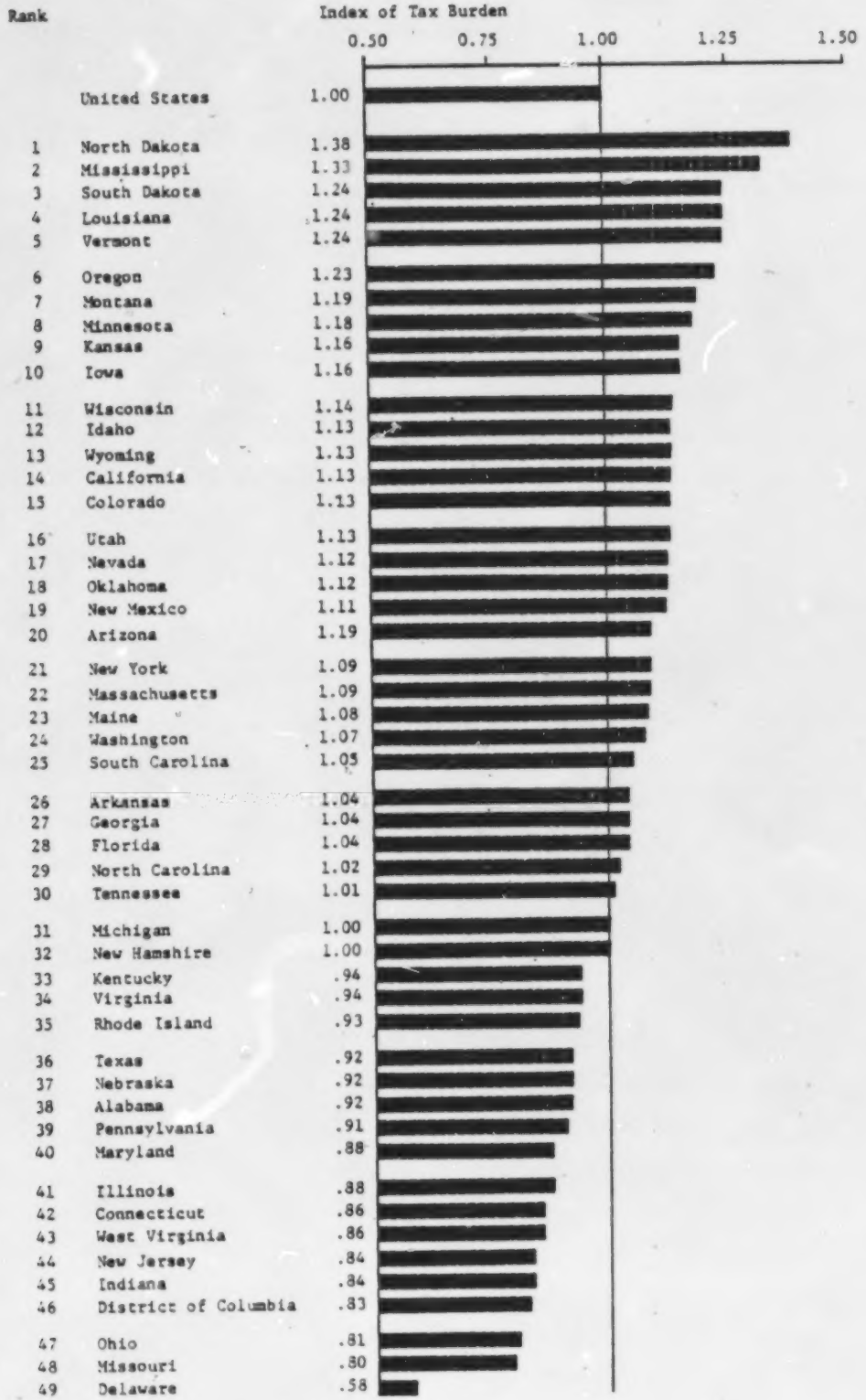

Figure 6.2. Index of U. S. Tax Burden for Total State-Local Taxes Per $1,000 of Personal Income, By States, 1957 (Arrayed in Order of Rankings)

TABLE 6.5

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1957

STATE	TOTAL	PROPERTY TAX	SALES AND GROSS RECEIPTS TAX	INDIVIDUAL INCOME TAX	OTHER TAXES
(1)	(2)	(3)	(4)	(5)	(6)
Alabama	76.17	15.39	39.51	7.50	13.77
Alaska	-	-	-	-	-
Arizona	90.68	42.04	32.94	7.46	8.24
Arkansas	86.52	22.89	42.25	7.36	14.02
California	93.83	44.31	29.27	8.80	11.45
Colorado	93.65	47.55	25.29	8.22	12.59
Connecticut	71.31	35.67	24.71	4.59	6.34
Delaware	48.34	11.58	11.50	11.90	13.36
District of Columbia	68.87	25.37	24.51	12.59	6.40
Florida	86.23	30.55	36.92	-	28.76
Georgia	86.38	25.04	44.76	8.79	7.79
Hawaii	-	-	-	-	-
Idaho	93.93	47.15	19.66	13.31	13.81
Illinois	72.58	37.55	23.66	-	11.37
Indiana	69.17	38.00	24.79	-	6.38
Iowa	95.71	46.75	31.03	6.36	11.57
Kansas	95.93	55.63	26.87	4.65	8.78
Kentucky	77.80	28.25	23.59	15.04	10.92
Louisiana	102.64	22.35	44.43	6.03	29.83
Maine	89.44	44.72	33.54	-	11.18
Maryland	72.94	31.01	21.71	11.20	9.02
Massachusetts	89.90	52.13	12.72	12.51	12.54
Michigan	82.66	38.13	31.04	-	13.49
Minnesota	97.45	50.45	17.58	13.99	15.43
Mississippi	110.49	30.38	53.72	9.38	17.01
Missouri	66.18	29.37	20.14	4.49	12.18
Montana	98.89	57.66	19.85	7.78	13.60
Nebraska	76.38	53.41	15.28	-	7.69
Nevada	93.14	33.61	41.21	-	18.32
New Hampshire	81.69	51.29	16.70	1.44	12.26

TABLE 6.5

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1957 (Con't.)

STATE (1)	TOTAL (2)	PROPERTY TAX (3)	SALES AND GROSS RECEIPTS TAX (4)	INDIVIDUAL INCOME TAX (5)	OTHER TAXES (6)
New Jersey	69.66	44.60	11.46	-	13.60
New Mexico	91.64	21.43	45.68	3.71	20.82
New York	90.64	43.22	10.55	17.71	19.16
North Carolina	84.52	22.65	34.96	16.54	10.37
North Dakota	114.68	60.55	34.21	4.91	15.01
Ohio	67.44	32.36	24.82	-	10.26
Oklahoma	92.80	28.18	36.19	6.16	22.27
Oregon	101.92	43.24	11.93	32.93	13.82
Pennsylvania	75.35	25.14	21.44	6.96	21.81
Rhode Island	76.73	38.66	26.23	4.65	7.19
South Carolina	87.35	20.11	47.06	12.02	8.16
South Dakota	102.73	59.68	29.21	.17	13.49
Tennessee	83.51	24.13	40.47	4.97	13.94
Texas	76.59	35.35	18.62	-	22.62
Utah	93.56	40.98	30.31	12.52	9.75
Vermont	102.32	46.02	21.49	18.00	16.81
Virginia	77.52	24.08	18.75	21.05	13.64
Washington	88.38	26.16	50.74	-	11.48
West Virginia	71.24	18.07	43.49	-	9.68
Wisconsin	94.72	49.04	14.63	22.17	8.88
Wyoming	93.88	48.25	30.81	-	14.82
All States	82.83	36.98	24.25	7.32	14.28

Source: 1957: State and Local Government Finances in 1942 and 1957 (12/11/59) U. S. Department of Commerce, Bureau of the Census. Table 7 Tax Revenue of State and Local Government by Level of Government and Type of Tax, By States: 1957, AS3 and 1942. Pp. 21-30.

TABLE 6.6

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1967

STATE (1)	TOTAL (2)	PROPERTY TAX (3)	SALES AND GROSS RECEIPTS TAX (4)	INDIVIDUAL INCOME TAX (5)	OTHER TAXES (6)
Alabama	86.98	15.45	43.33	7.73	20.47
Alaska	82.89	22.68	15.84	22.19	22.19
Arizona	115.26	51.88	41.28	5.87	16.23
Arkansas	92.55	23.85	43.88	7.38	17.44
California	112.71	58.63	27.68	7.09	19.31
Colorado	111.58	51.94	30.04	12.77	16.83
Connecticut	82.07	42.26	25.38	-	14.43
Delaware	90.58	17.98	16.91	27.66	28.02
District of Columbia	85.24	28.84	29.89	19.91	6.60
Florida	93.64	38.59	37.43	-	17.62
Georgia	88.29	27.03	40.00	8.76	12.51
Hawaii	123.20	25.08	57.87	26.02	14.22
Idaho	114.17	41.89	35.78	17.33	19.17
Illinois	79.87	38.97	30.10	-	10.79
Indiana	96.69	49.09	31.66	9.95	5.99
Iowa	106.41	52.82	28.83	12.50	12.25
Kansas	105.19	52.72	30.14	10.43	11.90
Kentucky	87.52	23.52	36.34	15.38	12.27
Louisiana	104.79	21.09	35.91	3.93	43.86
Maine	99.31	48.92	40.78	-	9.61
Maryland	95.18	40.11	26.87	17.19	11.01
Massachusetts	103.67	53.60	21.10	13.91	15.05
Michigan	92.93	41.69	35.55	2.03	13.66
Minnesota	115.27	58.13	17.46	22.35	17.33
Mississippi	103.10	28.50	53.50	2.32	18.77
Missouri	85.38	34.25	29.10	9.62	12.41
Montana	109.03	60.85	19.57	12.56	16.04
Nebraska	88.74	63.86	17.38	-	7.51
Nevada	107.63	42.88	43.32	-	21.44
New Hampshire	83.52	52.18	19.37	1.28	10.70

TABLE 6.6

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1967 (Con't.)

STATE (1)	TOTAL (2)	PROPERTY TAX (3)	SALES AND GROSS RECEIPTS TAX (4)	INDIVIDUAL INCOME TAX (5)	OTHER TAXES (6)
New Jersey	84.30	48.00	21.60	.41	14.29
New Mexico	113.01	26.58	48.75	4.74	32.92
New York	122.42	47.98	21.88	27.07	25.48
North Carolina	90.34	23.66	35.24	15.14	16.30
North Dakota	106.77	52.66	31.47	6.96	15.67
Ohio	76.65	39.58	25.64	3.50	7.93
Oklahoma	95.48	32.59	33.05	4.80	25.04
Oregon	103.19	48.81	12.67	25.20	16.51
Pennsylvania	86.80	29.96	31.79	6.09	18.96
Rhode Island	88.99	40.49	34.72	-	13.78
South Carolina	88.17	18.92	44.21	10.80	14.24
South Dakota	112.61	60.49	39.40	-	12.73
Tennessee	87.44	26.00	38.96	.95	21.52
Texas	82.36	37.74	27.13	-	17.49
Utah	110.26	44.16	35.47	14.94	15.69
Vermont	109.29	41.35	28.05	21.40	18.50
Virginia	83.53	25.93	22.88	14.84	19.96
Washington	100.03	30.97	57.77	-	11.29
West Virginia	93.58	24.88	50.93	6.31	11.45
Wisconsin	111.93	45.24	22.86	27.83	16.00
Wyoming	122.25	68.96	37.82	-	15.47
All States	97.33	41.77	29.64	9.26	16.67

TABLE 6.7

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1975

STATE (1)	TOTAL (2)	PROPERTY TAX (3)	SALES AND GROSS RECEIPTS TAX (4)	INDIVIDUAL INCOME TAX (5)	OTHER TAXES (6)
Alabama	99.44	12.69	30.78	17.60	38.37
Alaska	124.54	31.85	9.29	43.82	39.58
Arizona	132.58	47.01	42.97	18.76	23.83
Arkansas	99.02	21.89	24.46	20.87	31.80
California	145.91	62.71	32.65	29.41	21.14
Colorado	116.09	39.39	39.39	31.24	20.86
Connecticut	108.20	54.60	21.37	7.72	24.52
Delaware	116.54	20.48	-	2.35	93.44
District of Columbia	106.73	27.67	22.29	33.61	23.17
Florida	99.44	31.01	27.39	4.11	36.93
Georgia	107.86	34.48	26.51	21.27	25.61
Hawaii	144.45	25.49	56.26	39.22	23.51
Idaho	110.21	33.44	20.13	30.39	26.24
Illinois	117.28	45.12	26.17	20.81	25.18
Indiana	111.49	44.49	30.73	18.06	18.20
Iowa	121.38	50.05	18.83	28.03	24.47
Kansas	108.57	45.94	21.44	20.50	20.69
Kentucky	113.20	21.61	24.93	29.94	36.72
Louisiana	129.89	19.53	37.20	11.35	61.81
Maine	125.91	50.89	28.59	13.48	32.94
Maryland	122.59	35.82	16.28	44.32	26.18
Massachusetts	142.00	75.14	7.57	37.56	21.73
Michigan	116.65	35.82	16.28	44.32	22.02
Minnesota	139.44	49.90	22.00	22.72	31.22
Mississippi	118.36	42.73	18.21	47.23	34.43
Missouri	103.53	36.41	23.91	18.37	24.84
Montana	125.69	62.37	-	30.39	32.67
Nebraska	109.57	53.30	19.70	12.81	23.76
Nevada	132.29	43.52	29.94	-	58.54
New Hampshire	107.53	64.51	-	8.74	34.04

TABLE 6.7

TAX BURDEN PER $1,000 OF PERSONAL INCOME FOR SELECTED STATE-LOCAL TAXES AND TOTAL STATE-LOCAL TAXES IN 1975 (Con't.)

STATE (1)	TOTAL (2)	PROPERTY TAX (3)	SALES AND GROSS RECEIPTS TAX (4)	INDIVIDUAL INCOME TAX (5)	OTHER TAXES (6)
New Jersey	115.91	65.92	16.82	5.43	27.74
New Mexico	135.42	23.59	47.22	16.14	48.47
New York	166.53	59.90	31.15	48.83	26.64
North Carolina	105.78	25.65	21.59	28.64	29.90
North Dakota	109.53	34.22	26.57	23.76	24.97
Ohio	96.94	36.72	16.70	20.62	22.90
Oklahoma	105.30	25.57	20.11	16.54	43.07
Oregon	121.33	52.94	-	43.24	25.07
Pennsylvania	116.75	29.95	19.71	31.46	35.62
Rhode Island	119.40	50.00	20.66	23.23	25.51
South Carolina	104.63	23.62	28.13	24.46	28.42
South Dakota	116.06	56.99	29.20	.59	29.26
Tennessee	100.45	26.03	34.16	7.72	32.52
Texas	105.65	39.27	25.15	-	41.22
Utah	116.30	34.90	37.13	23.42	20.35
Vermont	154.58	66.17	12.44	30.55	45.43
Virginia	106.70	29.85	18.51	25.35	33.01
Washington	120.65	41.04	47.37	-	32.18
West Virginia	122.68	10.45	46.09	17.68	35.70
Wisconsin	138.30	52.13	21.30	42.87	21.99
Wyoming	134.33	54.59	39.64	-	39.59
All States	122.84	47.32	25.27	24.40	

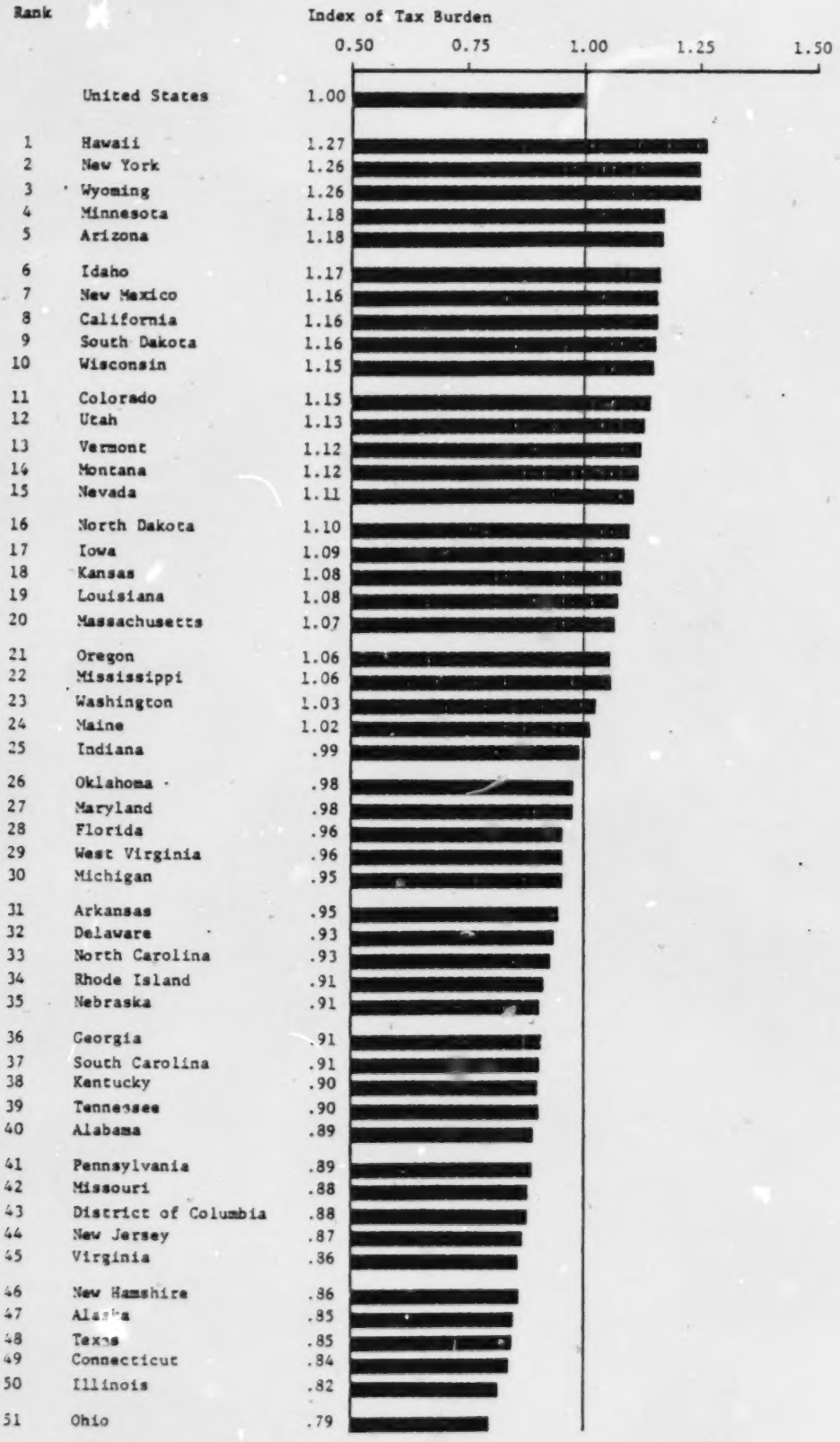

Figure 6.3. Index of U. S. Tax Burden for Total State-Local Taxes Per $1,000 of Personal Income, By States, 1967. (Arrayed in Order of Rankings)

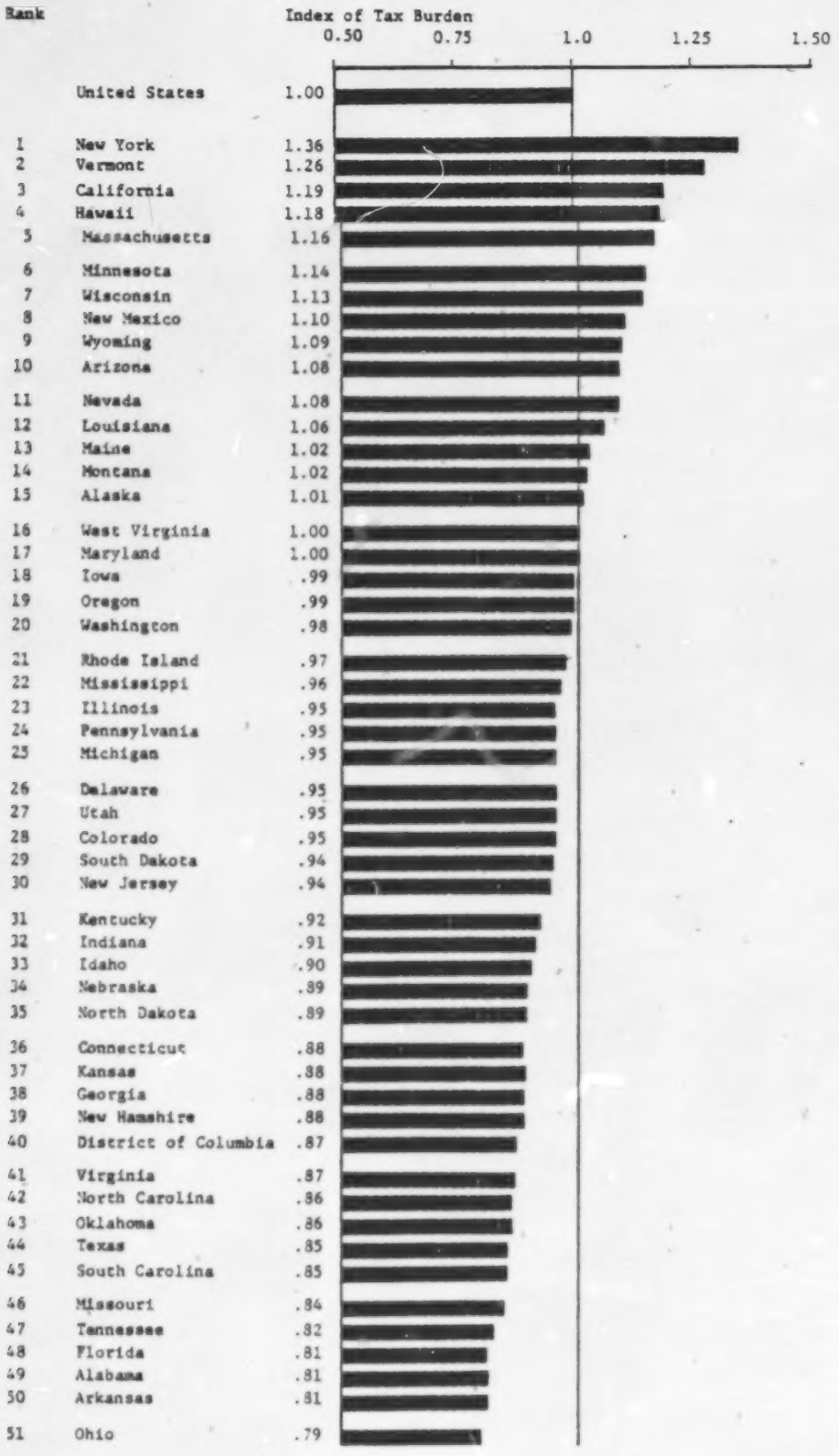

Figure 6.4. Index of U. S. Tax Burden for Total State-Local Taxes for $1,000 of Personal Income By States: 1975. (Arrayed in Order of Rankings).

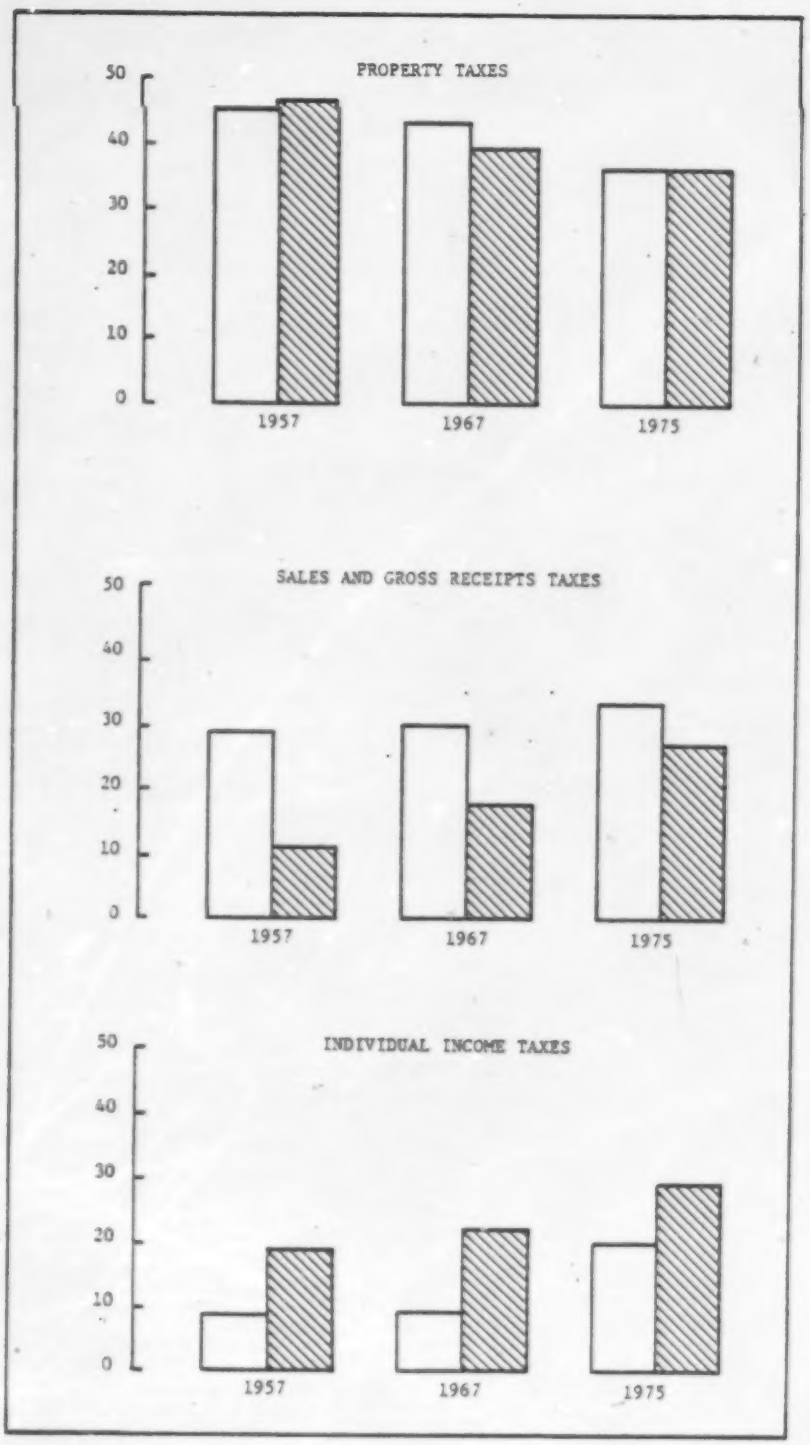

Figure 6.5. Selected State-Local Taxes and Percent Selected Taxes Are of Total State-Local Taxes for New York State and United States in 1957, 1967, and 1975.

APPENDIXES

APPENDIX A

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APPENDIX B

DEFINITIONS OF SELECTED TERMS

GROSS NATIONAL PRODUCT - Gross national product (GNP) is the total national output of goods and services valued at market prices. It can be viewed in terms of expenditure categories. These categories comprise purchase of goods and services by consumers and government, gross private domestic investment, and net exports of goods and services. The goods and services included are largely those bought for final use (excluding illegal transactions) in the market economy. There are a number of inclusions, however, which represent imputed values, the most important of which is the rental value of owner-occupied dwellings. GNP measures the output attributable to the factors of production-labor and property-supplied by residents of the United States. GNP differs from "national income" mainly in that GNP includes allowances for depreciation and for indirect taxes (such as sales and excise taxes).

EXPENDITURE - All amounts of money paid out by a government-net of recoveries and other correcting transaction-other than for retirement of debt, investment in securities, extension of credit, or as agency transactions. Note that expenditure includes only external transactions of a government and excludes noncash transactions such as the provision of perquisites or other payment in kind.

INDIVIDUAL INCOME TAXES - Taxes on individuals measured by net income and taxes distinctively imposed on special types of income (e.g., interest, dividends, income from intangibles, etc.).

NATIONAL INCOME - National income is the aggregate earnings of labor and property which arise in the current production of goods and services by the Nation's economy. It is the sum of compensation of employees, proprietors' income, rental income, net interest, and corporate profits. Thus, it measures the total factor costs of the goods and services produced by the economy. Earnings are inclusive of direct taxes on those earnings.

NATIONAL WEALTH - The national wealth data shown in table 674 are drawn from Supplementary Volume I of the Institutional Investor Study Report of the Securities and Exchange Commission. They are, in large part, an updating of data from R. W. Goldsmith. A Study of Saving in the United States and The National Wealth of the United States in the Postwar Period. As is the case in all national wealth estimates, the figures are intended chiefly to indicate the order of magnitudes involved and to permit rough comparisons among types of wealth and of the growth over long periods. Definitions and analytical details are presented in the source publication.

OTHER TAXES - Taxes not listed separately or provided for in categories above.

PERSONAL INCOME - Personal income is the current income received by persons from all sources net of contributions for social insurance. Not only individuals (including owners of unincorporated enterprises), but nonprofit institutions, private trust funds, and private health and welfare funds are classed as "persons". Personal income includes transfers (payments not result-

ing from current production) from government and business such as social-security benefits, military pensions, etc., but excludes transfers among persons. Although most of the income is in monetary form, there are important nonmonetary inclusions-chiefly, estimated net rental value to owner-occupants of their homes, the value of services furnished without payment by financial intermediaries, and the value of food consumed on farms.

PERSONAL INCOME PER CAPITA - Total personal income divided by population, including the noninstitutional population and the inmates of institutions, but after the latter have been assigned to their previous counties of residence.

PROPERTY INCOME - Property income is comprised of rental income, imputed rent of owner-occupied living quarters (less estimated expenses), income from dividends, interest and royalties.

PROPERTY TAXES - Taxes conditioned on ownership of property and measured by its value. Includes general property taxes relating to property as a whole, real and personal, tangible or intangible, whether taxed at a single rate or at classified rates; and taxes on selected types of property, such as motor vehicles or certain or all intangibles.

PROPRIETORS' INCOME - Proprietors' income is divided into farm and business and professional. The farm segment includes: 1) cash receipts from farm marketings; 2) gross rental value of farm dwellings; 3) value of farm products consumed by farm households; and 4) government payments to farmers, less all expenses of farm operation. Business and professional income is the net income of proprietors of unincorporated places, including professional persons other than those on salary.

REVENUE - All amounts of money received by a government from external sources-net of refunds and other correcting transactions-other than from issue of debt, liquidation of investments, and as agency and private trust transactions. Note that revenue excludes noncash transactions such as receipt of services, commodities, or other "receipts in kind."

SALES AND GROSS RECEIPTS TAXES - Taxes, including "licenses" at more than nominal rates, based on volume or value of transfers of goods or services, upon gross receipts therefrom, or upon gross income, and related taxes based upon use, storage, production (other than severance of natural resources), importation, or consumption of goods. Dealer discounts or "commissions" allowed to merchants for collection of taxes from consumers are excluded.

SALE OF PROPERTY - Sale of real property and improvements. Excludes sale of securities and sale of commodities, equipment, and other personal property.

STATE GOVERNMENT - The State government in each case consists of the legislative, executive, and judicial branches of government and all departments, boards, commissions, and other organization units thereof. It also includes any semiautonomous authorities, institutions of higher education, districts and other agencies that are subject to administrative and fiscal control by the State through its appointment of officers, determination of budgets, approval of plans, and other devices.

TAXES - Compulsory contributions exacted by a government for public pur-

poses, except employee and employer assessments for retirement and social insurance purposes, which are classified as insurance trust revenue. All tax revenue is classified as general revenue and comprises amounts received (including interest and penalties but excluding protested amounts and refunds) from all taxes imposed by a government. Note that State tax revenue includes any amounts to be shared with or redistributed to local governments as well as amounts to be expended directly by the State. However, State taxes exclude locally imposed taxes collected and returned to local governments by the State acting as collection agent.

WAGES AND SALARIES - Wages and salaries is the largest type of income. The components include payrolls, tips and commissions earned by all private and governmental employees including the military.